

Mr Sadat tells Israelis the price of peace is end to occupation

President Sadat of Egypt, in an historic 60-minute address to the Knesset in Jerusalem, and watched by millions on television throughout the world, yesterday invited the Israelis to live with their Arab neighbours in "full security and safety". But the price for building "a huge edifice of peace" must be full withdrawal from the occupied territories,

including "Arab Jerusalem", and acceptance of Palestinian rights, he told his hosts. The reply of Mr Begin, the Israeli Prime Minister, was respectful but contained no new concessions. Arab fury at Mr Sadat's visit was demonstrated by a call from a pro-Syrian Palestinian group for the President's assassination (Report, page 6).



President Sadat wipes sweat from his brow while addressing the Knesset. At right is Mr Isak Shamir, the Speaker.

Mr Begin's reply ignores Palestinian problem

By Edward Mortimer

Jerusalem, Nov 20
The President of Egypt stood today before the 120 elected representatives of the Israeli people and told them: "You can live with us in this part of the world. In all sincerity, I tell you, we welcome you among us with full security and safety."
He described the occasion as a tremendous turning point, "the landmarks of a decisive historical change", and "the present can have disagreed with him."
In a carefully composed and eloquently declaimed speech, peppered with quotations from the Bible and references to the prophets and patriarchs whom Jews, Christians and Muslims share, President Sadat called on the Israelis to join him in erecting "a huge edifice of peace that builds and does not destroy".
But he warned them that the price of peace must be full withdrawal from all the territories occupied in 1967, including "Arab Jerusalem", and acceptance of "the fundamental rights of the Palestinian people and their right to self-determination, including their right to establish their own state". He

did not, however, refer by name to the Palestine Liberation Organisation.
In a reply which was unscripted (though the main lines of it had been approved by his Cabinet this morning), Mr Menachem Begin, the Israeli Prime Minister, surprised many of his hearers by not even alluding to the Palestinian problem, either directly or indirectly. He, too, quoted frequently from Holy Writ and spoke respectfully of both the Muslim religion and the "great Arab nation". But his speech did not contain any new element remotely comparable to the enormous gesture Mr Sadat had made in coming in person to Israel.
Mr Sadat spoke in Arabic and Mr Begin in Hebrew. Israeli listeners, who know both languages, conceded readily that if it were viewed as a contest in oratory Mr Sadat emerged an easy winner. "Begin never really took off," was one comment.
Mr Begin, a noted soap-box orator with an undisputed talent for polemic, was perhaps not at his best in a speech which clearly called for a generous and conciliatory tone. But more important no doubt was the political decision not to be

PLO fury 6
Partial text 6
Ecstatic welcome 7
Breaking the barriers 14
A dream come true 14
Leading article 15

drawn into making public concessions in advance of any real negotiation.
The Israeli Cabinet is, of course, well aware of the political risks that Mr Sadat has taken in coming to Israel, and of the need to reward him with some significant concessions—not only to strengthen his position at home and in the Arab world but above all to preempt what is expected to be a very strong American pressure for a suitable response. But the Israeli leaders evidently feel that negotiations can be conducted only around a table, and not in public speeches that are so easily misinterpreted.
The sort of concessions which they are thought to have in mind are: full recognition of Egyptian sovereignty in Sinai up to the pre-1948 frontier, with a leasing arrangement enabling Israeli forces to stay at Sharm el-Sheikh on the

Straits of Tiran for a fixed period of years; a "greatly increased administrative role" for King Hussein in the West Bank of Jordan, together with free use of and transit to a Mediterranean port in the Golan strip, while leaving the issue of sovereignty unsettled; and Saudi guardianship of the Muslim holy places in Jerusalem.
It seems very doubtful, however, if either King Hussein or King Khalid of Saudi Arabia would agree to be party to such an arrangement, and therefore, as an attempt to give Pan-Arab respectability to Mr Sadat's initiative, it would fail.
The only other speaker was Mr Shimon Peres, leader of the opposition Labour Party, who echoed much of what Mr Begin had said. But he added that Labour was "ready for territorial conferences with each and every one of our Arab neighbours" (ie, including Jordan).
The matter of speculation here, as to the Arab world, is whether Mr Sadat's visit should be seen as the prelude to a new bilateral agreement between Egypt and Israel.
Mr Begin was careful to disclaim any ambition to divide and rule "the Arab world, or to

drive a wedge between Egypt and other Arab states. He fully quoted the King of Morocco, one of the few Arab leaders who has come out publicly in support of Mr Sadat, and said that there was no justification for the day of mourning proclaimed in Syria yesterday, while repeating his invitation to King Hussein and to the Presidents of Syria and Lebanon to follow in Mr Sadat's footsteps.
President Sadat himself, of course, strongly disclaimed any intention of seeking a separate peace or a new interim agreement. But he did repeat that his decision to come to Israel had been taken without consulting "any of my colleagues and brothers in the Arab world or the confrontation states".
Mr Sadat had talks with Mr Begin and other Israeli ministers both before and after the Knesset meeting, and tomorrow he will meet the leaders of the various Israeli political parties. But he concluded his speech today by emphasizing that he did not expect concrete results during this visit. "I have come here to deliver a message," he said. "I have delivered the message, and may God be my witness."

130 die in Portuguese airline's first crash

From Jose Sereciff

Lisbon, Nov 20

One hundred and thirty people were killed in an air crash at Funchal, in Madeira last night. There are 34 survivors, many with serious injuries and burns. Five were on the ground last night. Most of the passengers are reported to be Portuguese or Belgians.
It was the first crash of a passenger aircraft belonging to TAP, the Portuguese national airline.
The crash occurred when TAP flight 425, a Boeing 727 flying from Brussels to Funchal, was landing at Funchal airport, Funchal. The aircraft, carved in the sheer volcanic rock of the coastline, lies 13 miles east of the capital. It is considered a miracle of modern engineering, but is unpopular with pilots.
According to eyewitnesses the aircraft skidded on landing in two at the end of the runway and there was an explosion. Fire brigades fought the blaze and troops sealed off the area, while a naval patrol searched the sea for survivors.
The pilot, co-pilot and four other crew were killed. The only survivors among the crew were a steward and a stewardess. Both were later said to be injured but not in danger. Two children were reported to be among the dead.
A special commission of inquiry flew from Lisbon to Funchal today.

Smith plan to rule with black leaders

Mr Ian Smith is expected to offer changes in Rhodesia's constitution and bring African leaders into his administration in an internal settlement. He said in a weekend interview that the Anglo-American proposals had been universally rejected by Rhodesians. "New initiatives have started," he said, "and I anticipate that serious decisions will be made during this coming week." He had worked last week to bring

together the internal nationalist groups: the United African National Council, led by Bishop Muzorewa, the African National Council of the Rev Ndabemang Sithole, and the Zimbabwe United People's Organisation headed by Senator Chief Chirau. Mr Andrew Young, the American representative at the United Nations, denied yesterday that the Anglo-American proposals had been rejected. Page 9

Police inquiry into racialism

The Attorney General is pursuing allegations of incitement to racial hatred under the Race Relations Act, 1976, Mr Rees, the Home Secretary, said. Police are investigating some cases. The Commission for Racial Equality is conducting two formal inquiries and between 10 and 20 more are expected in coming months. Page 4

Hooligans not in attendance

Evidence suggests that Saturday afternoon attendance centres for young offenders are not being used to punish football hooligans as much as the Government would like, despite availability of the necessary regulations. Page 4

Mixed classes prove beneficial

Children in their early years at secondary school gain academically and socially by being taught in all-ability classes rather than being streamed according to scholastic achievement, a government-financed inquiry shows. It covered more than 2,000 pupils. Page 3

Duchess and her baby doing well

The Duchess of Gloucester and her daughter, who was born on Saturday, are doing well in St Mary's Hospital, Paddington. The baby weighed 7lb 11oz. Page 2

Leaders: On the Government pay policy, from Professor S. Pollard, and others; on the EEC fisheries regime, from Lord Sorely. Leading articles: Mr Sadat in the Knesset, pages 14 and 15. Eric Mortimer and Edward Mortimer report from Jerusalem on reaction to President Sadat's visit; Laurens van der Post on the human face of South Africa; Profile of King Juan Carlos by William Chislet. Arts, page 12. John Fervel on the "don Con-temperary Dance 1"; Barry Mullington on Elton John; Schwarzkopf's Lieder recital; The Royal Ballet; Scandal, Michael Havers, Edward Grayson and Peter Shandland, reviewed by David Shepherd. Obituary, page 17. The Right Rev George Snow; M

Victor Francis; Mr Clive Goodwin. Sport, pages 10 and 11. Rugby Union: All Blacks end French tour on triumphant note; Tennis: Bjorn Borg beats John Lloyd in Wimbledon final; Football: Norman Fox on outsiders' claims for championship; Golf: David Graham wins Australian Open. Business News, pages 18-23. Financial Editor: Nudging doubts in the market; Accountants easing the burden on small companies; Traifalgar House, new directions; Hugh Stephenson: Learning to handle North Sea oil revenue; Business Diary in Europe; Trade talks with Poland and Russia; Management: Patricia Tisdall charts the evolution of a successful advertising campaign; Rodney Cowen reviews two studies of the manager's social condition.

London publication of 'Mirror' stopped

The board of Mirror Group Newspapers announced last night that the Daily Mirror could stop publication in London immediately until further notice and that today all Mirror journalists in London would be given notice and an ultimatum in terms of a return to work.
The board held an emergency meeting yesterday over the continuing dispute with the journalists, who are demanding overall rises of £3,000 a year. A statement afterwards said: "Interference has reached such a magnitude that continued publication in London is now impossible."
Production in Manchester is not affected.
Mr Percy Roberts, chairman and chief executive of Mirror Group Newspapers, said: "The company fully appreciates the seriousness of the step it is taking. A long stoppage must threaten the existence of one or more titles."
The same warning of drastic action would go to journalists on the Sunday Mirror, Sunday People and Revereille unless agreement was reached by 11 a.m. on Thursday.
Mr Kenneth Ahum, general secretary of the National Union of Journalists, said that he was worried and would meet the father of the Mirror chairman (office branch chairman) today.
Mirror journalists held a mandatory union meeting as the board met. Afterwards Mr Roberts said: "Notices will be issued tomorrow to all London Daily Mirror journalists. An accompanying

letter will state that a return to work will only be possible to the company on the following terms: One, that a company offer is accepted; two, that there will be no pay for those who work while in breach of their contracts and there will be no allowances or expenses during that period. There will be a loss of pay in respect of the issues of Saturday and Sunday and three, that it is accepted that the current disputes procedure, which prohibits any action which interferes with production without the editor's written approval when those meetings would interfere with production.
Mirror group journalists want £3,000 a year more overall to cover their house claim and the switch by the management to new production technology.
On Friday the journalists rejected the latest offer. That was an increase of £1,533 a year in salaries and allowances, and a promise of a merit review that would take into account extra skills and responsibilities of those directly involved with the planned new production system.
The proposal included the loss of 45 London staff jobs. "Scotsman" dispute ends: The Scotsman resumed publication last night after the ending of a week-long pay dispute between the journalists and management. But publication of its sister paper, the Edinburgh Evening News, is still in doubt.

Labour paper on spending oil cash sets scene for election battle

By Michael Hatfield

Political Reporter

An ideological battle between the Government and the Conservative Party at the next general election over how to make best use of revenues from North Sea oil is indicated in a confidential document that goes before a meeting of Cabinet ministers and trade union leaders today.
The document has been drawn up by Mr Healey, Chancellor of the Exchequer, and Mr Wainwright, Secretary of State for Energy. It will be discussed by the Cabinet-TUC Labour Party liaison committee.
It sets out six spending options: overseas investment, repayment of foreign debt, tax reduction, public services and social infrastructure, investment in manufacturing industry, and investment in energy. It makes the point that the revenue will be by no means big enough to have an important impact on all those areas simultaneously.

Preliminary consultations with union leaders indicate that they have little doubt that the emphasis should be on public spending and investment. That view is likely to be shared by most Labour politicians.
The Conservatives are expected to want to use the resources on overseas investment, repaying the nation's debts and reducing taxation.
Revenue from North Sea oil will not have reached its highest level until the mid-1980s, but the scene is being set for a fundamental argument over priorities between the two main parties when Mr Callaghan decides to face the electorate.
The document does not say what options the Government will make for it says: "There are two broad views on how we should proceed. One view is that the options are not mutually exclusive and some are mutually supportive; the relative priority attached to each option may alter through time and it would therefore not be

wise to narrow down the options at this stage."
The other view is that the revenues, which at their maximum will probably amount to only £3,500m a year, are not large enough to finance more than two of these options on a significant scale, that commitment to any two would necessarily preclude spending on the others, and that the choice of options, once made, should be expected to endure.
The representatives from the TUC and the party's national executive committee are likely to press Cabinet ministers today to concentrate on public spending and investment.
The options, as given in the document, are:
Overseas investment: It would be possible to use the oil revenues to make a big cut in government borrowing while abolishing export controls to that private funds were free to flow abroad. Some would argue that investment abroad would benefit Britain and AP.
Continued on page 2, col 4

Snow blocks many roads in Scotland and North

Heavy snow fell in Scotland and northern England last night and meteorologists forecast more today. Other parts, including Somerset, suffered hailstorms, leaving icy layers nearly 2in thick on many roads and causing several accidents.
Drifts blocked roads in Scotland and the Automobile Association warned motorists not to travel if they could avoid it.
Snow also fell in south-west Wales. At Glemore Lodge, in the Carmarthen, 11in was recorded.
In Northumberland the A1 was blocked several times at Felthorpe Bank, north of Alnwick, with sliding lorries. Late in the afternoon, however, it was the only road open between Newcastle and Edinburgh.
The A68 and A69 into Scotland were closed near Morpeth. Traffic was diverted.
The M5 near Bridgewater, Somerset, was closed for nearly two hours after five accidents in a sudden snowstorm. Six people were injured, one seriously.
Crashes happened on both carriageways between the Edinborough and Huntworth interchanges.

Four men were missing off the Dutch coast yesterday after the crew of five of a West German coaster, the Colonia, abandoned ship in heavy seas. A small several hundred feet deep and 30ft wide opened on a Midlands main road after a van had driven over it. Police said: "It just craved in. There was no warning."
Police diverted traffic and closed three lanes of the main Wolverhampton-Birmingham road near the Burnage traffic island, about seven miles from Wolverhampton.
Workers with pneumatic drills began the dangerous job of removing the carcrust from the ever-widening hole in a built-up area. Serious traffic congestion is expected today.
The area used to be riddled with mine workings. West Midlands County Council promised an immediate investigation.
Snow may fall anywhere in Britain today, the Meteorological Office said.
The cold weather, caused by strong northerly winds, is expected to last for the rest of this week, with temperatures below the seasonal average. Forecast, page 2

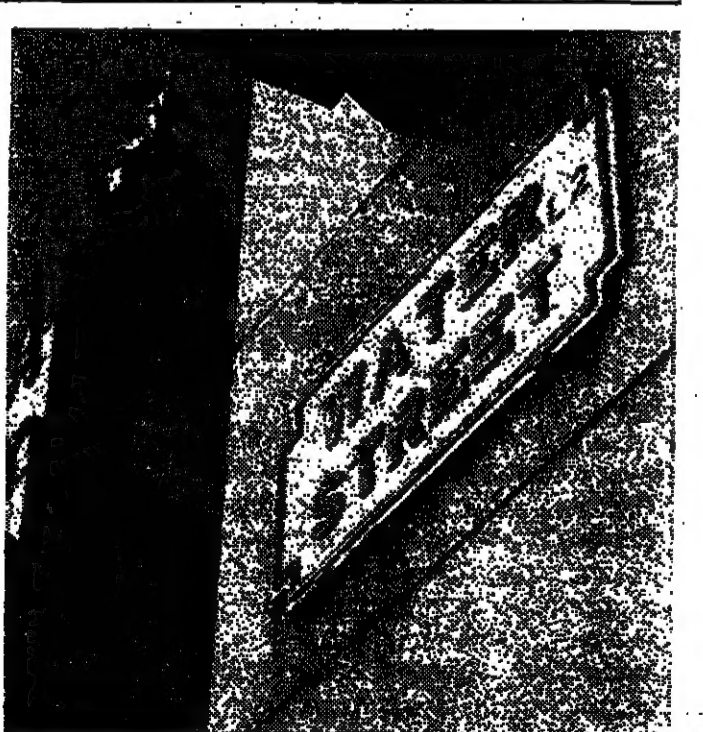
Labour campaign against direct elections Bill

By Our Political Reporter

Labour opponents of the Bill for direct elections to the European Assembly are to step up their campaign this week for conditions that Mr Callaghan and most of his Cabinet colleagues are unlikely to accept.
Left-wing members of the party's national executive committee, when it meets on Wednesday, the day before the Bill has its second reading debate in the Commons, are threatening to withhold official Labour Party support for assembly candidates unless the Government meets their objectives.
The conditions are that the Bill should include clauses preventing the European Assembly from having any legal power over state Parliaments; candidates should be elected on a "first-past-the-post" system; and each member state should have the right to choose its own election day within agreed dates.
Some say that about a hundred Labour MPs will vote against the second reading. They are also planning to table amendments that would invali-

date the Act if the assembly did increase its powers.
While Conservative support was assured for the Bill on second reading, the Government cannot afford totally to ignore the opposition in its own ranks if it is to avoid an embarrassing dispute. Ministers opposed to the EEC will be allowed to abstain on Thursday and there will be a free vote on the type of election system, although the date for that vote has not yet been decided.
While the Bill enshrines the proportional representation regional list system in order to safeguard the power of the Liberals, that is not expected to be carried, and it is felt that a majority in Parliament will vote for the Westminster "first-past-the-post" system.
Mr Norman Atkinson, a leading Tribune group member and treasurer of the party, said yesterday: "A major debate is taking place within the party on the best way of ensuring that the European Parliament does not increase its powers."
EEC Liberals' pressure, page 8
David Wood's column, page 15

Home News	2-4	Crossword	28	Sale Room	17
European News	8	Engagements	17	Science	17
Overseas News	8, 9	Features	14, 16	Sport	10, 11
Agriculture	17, 22	Letters	15, 20	TV & Radio	17
Appointments	17, 22	Monday Book	17	Theatres, etc	17
Arts	12	Obituary	17	25 Years Ago	17
Business	18-23	Parliament	17	Universities	17
Church	17	Premium Bonds	17	Weather	2
Court	17	Property	24	Wills	17



WHERE IN THE WORLD WILL YOU FIND STANDARD CHARTERED?

In this Liverpool street is a Standard Chartered branch. Like all our other branches in the U.K., it deals with any of our 1,500 branches and offices in 60 overseas countries, whichever one is right for your particular assignment.
There will be no possibility of indirect delays as we deal with our own people. Ring Keith Skinner now on 01-623 7500 to find your nearest branch; and also ask about Standard Chartered's domestic and international merchant banking capabilities.

Standard Chartered Bank Limited
helps you throughout the world
Head Office: 100 Lombard Street, London EC3A 7AB

HOME NEWS

Bright child not held back by sharing with less able, study shows

By Alan Hamilton

Children in their early years at secondary school benefit academically and socially by being taught in all-ability classes rather than being streamed according to their scholastic achievements, a government-financed report has found.

The study, carried out in 1975 by the National Foundation for Educational Research at a large comprehensive school at Banbury, Oxfordshire, found little evidence to suggest that bright children were held back by being in the same class as the less able. Low-ability pupils gained positive advantages from learning alongside the clever ones, the report says.

Researchers interviewed and observed more than 2,000 children at the school, and presented their findings to the Department of Education two years ago. The report is published in full for the first time today.

It concludes that putting children of all abilities in one class leads to social advantages without academic disadvantages. There is evidence of academic gain for low-ability children in mixed-ability classes, the report says.

Nevertheless, it concedes that a child's academic performance at the end of the first two years of secondary school is determined chiefly by factors outside school control. The main benefit of all-ability classes is the better social integration of the bright and not-so-bright.

There is no reliable criterion for streaming pupils who come straight from primary school, the report says. Assessments by primary school teachers are inconsistent, and tests of the

eleven-plus type do no more than deal out rough justice for many children.

"The effects of eleven-plus selection may be disappearing from public view with the demise of the bipartite system, but they may be no less important, even if less obvious, when they occur within a single comprehensive school."

At least, the report says, the consequences of a wrong assumption about a pupil's potential will be less serious if he enters an all-ability class. Teachers may be well acquainted with the idea of streaming, but it is a new experience for a child straight from primary school.

The report finds evidence that children tend to associate with others of their own ability, but much less so in the mixed-ability forms than in the streamed forms.

Low-ability children in mixed classes tended to put up a better academic showing than those in streamed classes. They are also found to have a more positive and favourable attitude towards school in general.

"There was little direct evidence to suggest that high ability pupils were achieving markedly differently in the two systems. For low-ability children there was a significant gain in the mixed-ability system, compared with the streamed."

The report speaks of apprehension among teachers, mainly on academic grounds, over teaching mixed-ability rather than streamed classes. But the fears were markedly less among staff who had first-hand experience of mixed-ability teaching.

Ability Grouping: The Banbury Inquiry, David Newbold (NFER Publishing, £4.75).

Like the time a visiting American left an expensive camera and 10 rolls of used film in an Avis car at Dover. Our staff there made sure it was delivered to London the next day, thereby rescuing some expensive equipment and lots of memories.

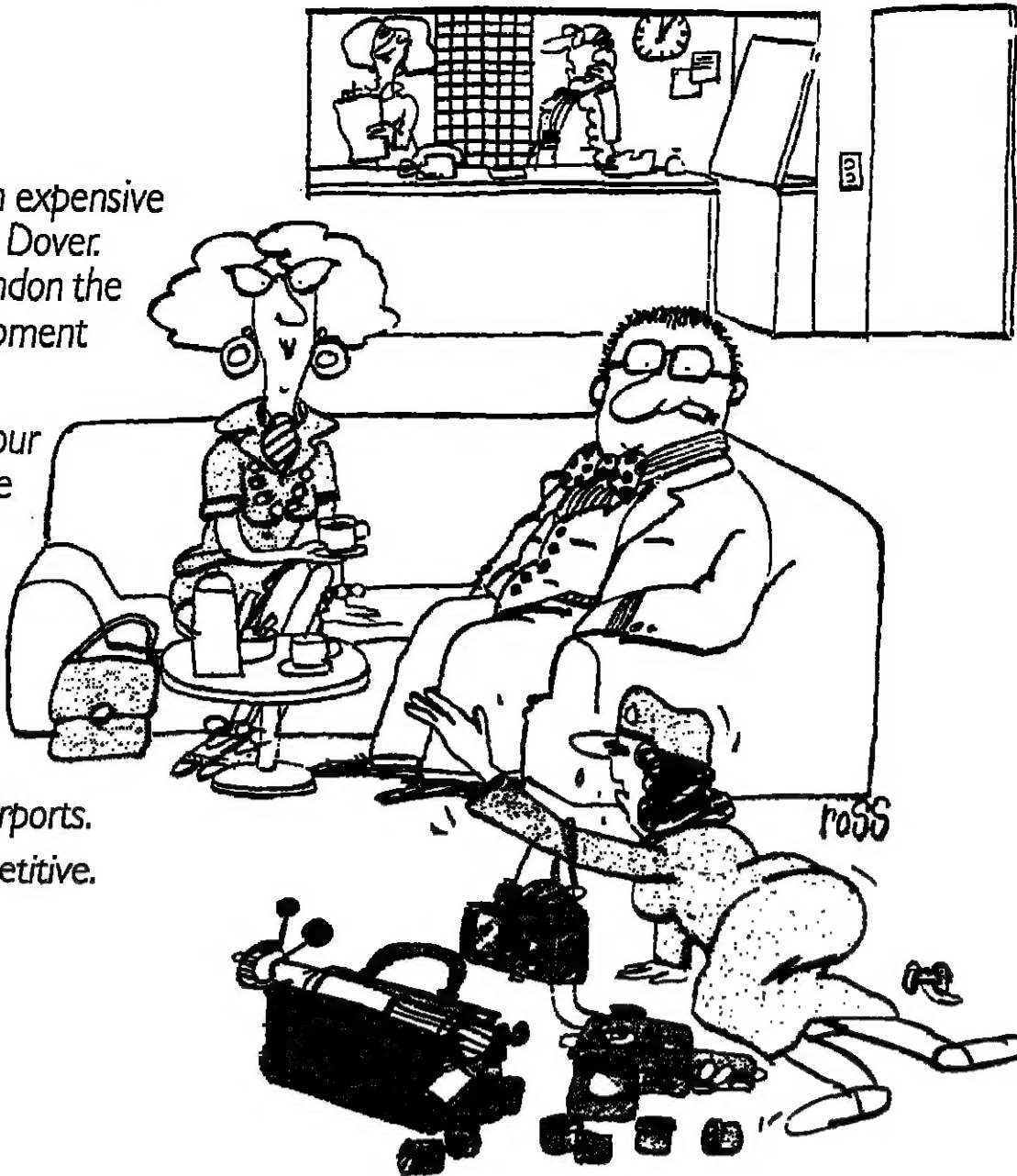
Like the time a customer turned up at our Glasgow airport desk. He was in a panic because he was late for a lecture he was giving at the University. No Avis car was available, so one of our Avis girls lent him her own for the evening.

Like the way we look after our cars. Few are older than 9 months.

Like the fact we have nearly 70 offices at major cities throughout the UK including 18 airports.

Like the way our rates are always competitive.

At Avis, we really do try harder.



No one tries harder than Avis.

AVIS

We rent Chrysler and other fine cars.

TO RESERVE A CAR CALL YOUR TRAVEL AGENT OR YOUR NEAREST AVIS RESERVATION CENTRE:

LONDON AND SOUTH EAST (01) 848 8733 MIDLANDS AND SOUTH WEST (021) 622 4262 SCOTLAND (02366) 54525 NORTH OF ENGLAND (0532) 444911 NORTHERN IRELAND (02384) 52333.

attle in e union

PSA the Civil and Services Union was elected by 117,000 votes in a by-election to replace the old union. A left-wing proposal for a new union was defeated. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

A protest by CPSA against the new union was held at the conference. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union. The new union is a merger of the old union and the Civil and Services Union.

HOME NEWS

Police investigating complaints of race hatred under new law

By Our Home Affairs Correspondent

The Attorney General is taking further steps to investigate race hatred under the new law. Mr. Rees, Home Secretary, said on Saturday that police are investigating some complaints.

Under the Act, the incidents which have been in force for five months, it is no longer necessary to prove intent to stir up hatred. No prosecutions have yet been brought under the section.

MP seeking a 'Domesday Book' on council land

By Our Planning Reporter

The waste of resources represented by derelict and unused land will receive particular emphasis this week. Yesterday Mr. Hugh Rossi, an Opposition spokesman on the environment, announced his intention of compiling a survey with the cooperation, he hopes, of the Department of the Environment. Today the Royal Society will be addressed on the subject of derelict land, and tomorrow the Civic Trust will publish its own survey.

Mr. Rossi has invited the nationalized industries to tell him how much land they own which has not been developed and will not be developed in the next five years, their reasons for holding it, and the cost of interest charges. He is

Commission for Racial Equality, Mr. Rees disclosed more of its plans to conduct formal investigations. Where it discovers conduct that contravenes the Act, it is empowered to issue a non-discrimination notice.

The commission has announced two small formal inquiries into a restaurant in the Midlands and an employment agency in London. Mr. Rees says it hopes to begin a further 10 or 20 inquiries between now and next summer.

People who consider they have been the victims of conduct that the Act makes unlawful have the right to begin proceedings in a designated county court, sheriff court or industrial tribunal. The commission has powers to assist individuals in cases it considers justified.

Union threat of more television blackouts

More blackouts of BBC television programmes are planned by engineering workers who are taking action over a pay claim. On Saturday night BBC1 and BBC2 were disrupted for short periods, causing the loss of one of the corporation's most popular programmes, *The Generation Game*.

Mr. Anthony Hearn, general secretary of the Association of Broadcasting and Allied Staffs, which represents the engineers, said yesterday that the disruption would continue, but the union would not say when cuts would take place.

The engineers operate television and videotape equipment, and their actions are not affecting live programmes. During Saturday's cuts, which also blacked out *The Duchess of Duke Street* and *The Two Ronnies*, BBC1 screened an old Bob Hope film.

The ABS, which represents 14,000 of the BBC's 25,000 employees, is pressing for a big improvement in an 11th pay offer, which the corporation says will give basic increases of between 9 and 15 per cent, but which the union says will give only 5 per cent to some staff. The BBC insists that any increase in the offer would exceed the Government's pay guidelines.

Earlier this month the ABS blacked out live transmission of the state opening of Parliament and the Queen's Speech.

Burglary and shoplifting lead boys to energetic Saturday afternoons

Few football hooligans at attendance centres

By Peter Evans

Home Affairs Correspondent

Five football supporters puffed over press-ups and other exercises at Hendon Attendance Centre on Saturday instead of cheering their teams. None had been sent there because of hooliganism, although most confessed they had been in trouble at matches.

They were at the centre, being backed by instructors in the gymnasium, for crimes such as burglary or shoplifting.

There is evidence that the attendance centres are not being used to punish hooliganism as much as the Government would like. Only last week Mr. Howell, the minister responsible for sport, urged greater use of them for that purpose.

No statistics were available to show how many youngsters are sent to centres for offences connected with hooliganism, but experts think only about 2 per cent of the 8,821 attendance centre orders made last year may have been for that offence.

Government efforts to get the centres used more for punishment for hooligans are beginning to look rather desperate. At the start of the football season Mr. Rees, Home Secretary, brought into force provisions under the Criminal Law Act, 1977. They gave courts in one part of the country power to deal with breaches of attendance order made in another. That made it practicable for an order to be made for a juvenile who committed an offence at an away

match to go to an attendance centre in or near his home town.

The new power became available on September 8. Although the Hendon centre covers much of north London, including the Tottenham area, only one boy has been sent there for trouble at an away game.

Boys aged 10 to 16 can be sent by magistrates to attendance centres for not less than 12 hours and not more than 24. They qualify by committing an offence which, for an adult, would carry a term of imprisonment and serve the attendance order in two-hour periods on Saturdays.

Part of the effect of the sentence is said to be that by being at a centre on a Saturday doing gymnastics and handstands they will be kept out of trouble. Sadly, that is not true. The Hendon centre is open on alternate Saturdays and boys can still go to midweek matches. One who left in a hurry on Saturday when the centre closed at 4

pm said he was off to reach the Tottenham match before it ended. Other boys told me they had sneaked in to England's midweek match with Italy without paying.

That was clearly a response to a challenge, for most do not seem to be short of money, judging by the amounts they put into pins for safe keeping during the afternoon. One showed me a digital watch. "It's only a cheap one, £25", he said.

One idea put forward by magistrates is that junior attendance centres like Hendon should also be available for older offenders. There is also pressure for the creation of centres for offenders aged between 17 and 21.

An objection to sending older youths to junior centres is that the police who form most of the staff at the centres would be changing their role. They are involved already in the treatment of young offenders through juvenile liaison schemes, but not in that way with older ones.

Another objection is that the sort of person sent to a senior centre might be penalized more constructively by receiving a community service order.

Yet attendance centres do have undoubted advantages. They are cheap, costing about £3,000 each a year to run, and people going there are not removed from everyday life into "academies of crime" during periods in custody.

Officers at Hendon vary in their hopes of how many of the boys will not get into trouble again. Inspector David Stannard, who runs the centre, believes that at best the success rate would be about 70 per cent and at worst about 50 per cent.

It is also a compliment in these days of penological pessimism to say that the centres as a whole do not seem to do any harm. That may be one reason why the Government has promised to provide more junior centres. The Home Office is studying crime figures to see whether centres for girls would be justified.

Tribunal's president backs lay judges

Union-nominated judges hearing appeals concerning employment are concerned at criticism of some of their decisions from TUC quarters.

The six at the Employment Appeal Tribunal set up under the Employment Protection Act, with lay judges from the management side and a High Court judge as chairman. They hear appeals from industrial tribunals relating to unfair dismissal, redundancy, sex and sex discrimination claims.

Mr. Justice Phillips, the tribunal's president, issued a statement emphasizing that knowledge of industrial relations was a qualification for appointment as a lay judge. Once assigned to a particular string of the appeal tribunal, the three members sit as "independent, impartial, uncommitted, open-minded members", he said.

Although he made no direct reference to recent TUC criticism, the judge's statement is taken as an answer to union complaints against decisions by the tribunal, one in the equal pay sector and another granting an independence certificate to a non-TUC union.

The trouble arises from attitudes to the former National Industrial Relations Court, which was regarded by the union as "the boss's court". Now that the employment law pendulum has swung the other way, many unions see the tribunal as the workers' court.

£50,000 to curb salmon poachers

Salmon poaching has reached such proportions in the South-west that the region's water authority is to spend £50,000 equipping its bailiffs with two-way radios, and may introduce dogs and handlers in an effort to catch the highly organized gangs.

The South West Water Authority, which covers more than 4,200 square miles from Dorset to Land's End, said yesterday that illegal catches of salmon in its area exceeded those made by licensed fishermen.

Taverne move to back PR

A conference of Mr. Dick Taverne's Democratic Labour Party in Lincoln on Saturday decided to support any candidates who favour proportional representation.

The party said that if more than one proportional representation candidate was fighting a seat some should withdraw to avoid splitting the vote.

Dearer newspaper

The price of the *Liverpool Echo* is going up by 1p to 5p today. Rising costs are blamed.

Churches accused of harm in backing leadership

Mr. Louis Chase, one of the Notting Hill Carnival organizers, last night criticized support given by the Methodist Church and the British Council of Churches to "distorted and irresponsible leadership within the black community".

He added that the Government would be rational in giving up local community relations councils as a bad job. He told a congregation at South Harrow Methodist Church that the black groups given most resources and status "interpret the struggle as making as much mischief as possible, a view which would commend itself to some sectors of the Socialist Workers' Party, which wants to use blacks as cannon fodder for their revolution".

Such groups did not fight racism in the most constructive ways, by building up the black community and teaching the young self-discipline leading to greater personal dignity and self-respect.

Mr. Chase, a West Indian, is chairman of Notting Hill Carnival and Arts Committee, one of the two bodies that arranged "Carnival 77". He is chairman of the Westminster Community Relations Council and was on the West Metropolitan Conciliation Committee of the Race Relations Board.

He criticized local community relations councils as "a bit of touch with reality". At worst, they said, they were "a bit of touch with reality". At worst, they said, they were "a bit of touch with reality".

Mr. Chase said: "If community relations councils are not in the business of assisting young black people to obtain training and employment then they should not be in business."

Break it up

Turn an exhausting 29-hour journey into a relaxing breather.

Whenever you're flying MAS DC-10-30 to Australia or Asia, take a little longer and stopover in Malaysia. If you're on business it's a relaxing and inexpensive breather in an arduous journey. It can add pleasure to a holiday without adding much to the cost.

Think about a few days break for just £4 per night everything included. First class hotel accommodation, most meals, a welcome drink, a souvenir gift, shopping discounts and special car rental discounts. The package also includes transfers to and from airport and a 3-hour city sightseeing tour.

At the end of it all you settle back relaxed and refreshed in the roomy MAS DC-10-30 for the rest of your flight. And enjoy all over again famous MAS Golden Service.

Ask your Travel Agent or MAS office for the exclusive details on our Stopover Holidays.

MAS DC-10-30 TWICE WEEKLY TO KUALA LUMPUR MELBOURNE AND SYDNEY

Fly with a Touch of Gold **mas** malaysian airline system

25-27, St. George St., Hanover Square, London W1. Tel: 01-629-5891/4

Turn an exhausting 29-hour journey into a relaxing breather.

Whenever you're flying MAS DC-10-30 to Australia or Asia, take a little longer and stopover in Malaysia. If you're on business it's a relaxing and inexpensive breather in an arduous journey. It can add pleasure to a holiday without adding much to the cost.

Think about a few days break for just £4 per night everything included. First class hotel accommodation, most meals, a welcome drink, a souvenir gift, shopping discounts and special car rental discounts. The package also includes transfers to and from airport and a 3-hour city sightseeing tour.

At the end of it all you settle back relaxed and refreshed in the roomy MAS DC-10-30 for the rest of your flight. And enjoy all over again famous MAS Golden Service.

Ask your Travel Agent or MAS office for the exclusive details on our Stopover Holidays.



Less seats and more room than any other DC-10. And there's always someone there when you need them.

*With connections at Kuala Lumpur

Fly with a Touch of Gold **mas** malaysian airline system

25-27, St. George St., Hanover Square, London W1. Tel: 01-629-5891/4

Mrs. Thatcher, Leader of the Opposition, wearing a senior officer's flying suit when she met men of 44 Parachute Brigade (Volunteers) at RAF Lyneham, Wiltshire, yesterday shortly before they jumped from an aircraft.

£2.75m project to restore valley

The Welsh Development Agency is to spend more than £2.75m on reclaiming 183 acres of abandoned coal mines, ironworks, foundries, brickworks, lime kilns and tin plate works at Blaenau Gwent.

New factories, houses, recreation areas and agricultural land will take their place. Waste tips will be regraded and contoured and the area grassed and planted. The agency says the scheme is the biggest in Wales.

Pregnancy drug inquiry urged

An urgent government inquiry into the use of the drug Primidone in hormone pregnancy tests was called for yesterday by Mr. Jack Ashley, MP for Stock-on-Trent South, in a second letter within six weeks to Mr. Ennals, Secretary of State for Social Services.

Mr. Ashley said that although the drug can cause malformed babies, 4,000 prescriptions for it had been issued in the year ended last July.

Spire to be rebuilt

A needle spire on the west front of Peterborough cathedral is to be rebuilt because of damage caused when it was struck by lightning during the summer.

Civil Service told to drop discriminatory age limit

An industrial tribunal has told the Civil Service to end an age bar of 28 for executive posts, which is unfair to women with young children, it was disclosed yesterday. The decision, announced by the National Council for Civil Liberties, comes after a legal battle over 21 months.

The case against the Civil Service was filed in March, 1975, by Belinda Price, who was represented by the council. She was also supported by the Equal Opportunities Commission.

The civil liberties council said the Civil Service had accepted that the age limit of 28 on direct entry to executive officer posts discriminated against women, who were not eligible for full-time employment in their twenties and early thirties, caring for young children. The service had argued, however, that the age limit was lawful because it was justified by the need to ensure an adequate intake of young executive officers.

The industrial tribunal had said: "The evidence now establishes that there are ways other than the imposition of a rigid age bar by which the necessary balance in the career structure can be achieved."

"We remain unconvinced that if the Civil Service had approached this problem in the knowledge that the age bar was discriminatory (as it is now conceded to be) they would have found its retention necessary for the purpose in mind."

Mr Ennals urged to meet hospital staff

From Ronald Kershaw, Barnsley

Mr. Mason, Secretary of State for Northern Ireland and MP for Barnsley, yesterday asked his Cabinet colleague, Mr. Ennals, Secretary of State for Social Services, to intervene at Barnsley District General Hospital after allegations of a shortage of surgical instruments and equipment.

Mr. Ennals is to visit the hospital on Friday. It was stated a few days ago that Mr. Ennals will not be meeting staff representatives at the hospital other than emergencies would be suspended for two weeks next month to sort out the instruments issue.

£360,000 saved by staff ideas

Staff suggestions for simpler procedures in the Department of Health and Social Security have saved at least £360,000, and probably more than twice that figure, according to an article in the November issue of *Management Services in Government*.

Mr. David Owen, a member of the department, gives two examples: a simpler procedure for meeting the needs of supplementary benefit claimants, and an amendment of the regulations governing time limits for maternity benefit claims.

Management Services in Government (Civil Service Department, Whitehall, in the November issue of *Management Services in Government* 4p a page).

£2.75m project to restore valley

The Welsh Development Agency is to spend more than £2.75m on reclaiming 183 acres of abandoned coal mines, ironworks, foundries, brickworks, lime kilns and tin plate works at Blaenau Gwent.

New factories, houses, recreation areas and agricultural land will take their place. Waste tips will be regraded and contoured and the area grassed and planted. The agency says the scheme is the biggest in Wales.

Pregnancy drug inquiry urged

An urgent government inquiry into the use of the drug Primidone in hormone pregnancy tests was called for yesterday by Mr. Jack Ashley, MP for Stock-on-Trent South, in a second letter within six weeks to Mr. Ennals, Secretary of State for Social Services.

Mr. Ashley said that although the drug can cause malformed babies, 4,000 prescriptions for it had been issued in the year ended last July.

Spire to be rebuilt

A needle spire on the west front of Peterborough cathedral is to be rebuilt because of damage caused when it was struck by lightning during the summer.

Civil Service told to drop discriminatory age limit

An industrial tribunal has told the Civil Service to end an age bar of 28 for executive posts, which is unfair to women with young children, it was disclosed yesterday. The decision, announced by the National Council for Civil Liberties, comes after a legal battle over 21 months.

The case against the Civil Service was filed in March, 1975, by Belinda Price, who was represented by the council. She was also supported by the Equal Opportunities Commission.

The civil liberties council said the Civil Service had accepted that the age limit of 28 on direct entry to executive officer posts discriminated against women, who were not eligible for full-time employment in their twenties and early thirties, caring for young children. The service had argued, however, that the age limit was lawful because it was justified by the need to ensure an adequate intake of young executive officers.

The industrial tribunal had said: "The evidence now establishes that there are ways other than the imposition of a rigid age bar by which the necessary balance in the career structure can be achieved."

"We remain unconvinced that if the Civil Service had approached this problem in the knowledge that the age bar was discriminatory (as it is now conceded to be) they would have found its retention necessary for the purpose in mind."

Mr Ennals urged to meet hospital staff

From Ronald Kershaw, Barnsley

Mr. Mason, Secretary of State for Northern Ireland and MP for Barnsley, yesterday asked his Cabinet colleague, Mr. Ennals, Secretary of State for Social Services, to intervene at Barnsley District General Hospital after allegations of a shortage of surgical instruments and equipment.

Mr. Ennals is to visit the hospital on Friday. It was stated a few days ago that Mr. Ennals will not be meeting staff representatives at the hospital other than emergencies would be suspended for two weeks next month to sort out the instruments issue.

£360,000 saved by staff ideas

Staff suggestions for simpler procedures in the Department of Health and Social Security have saved at least £360,000, and probably more than twice that figure, according to an article in the November issue of *Management Services in Government*.

Mr. David Owen, a member of the department, gives two examples: a simpler procedure for meeting the needs of supplementary benefit claimants, and an amendment of the regulations governing time limits for maternity benefit claims.

Management Services in Government (Civil Service Department, Whitehall, in the November issue of *Management Services in Government* 4p a page).

THE HEART OF THE SPACE AGE

HSA Emergency Identification Card

'Reassure your family and protect yourself'

HSA Emergency Identification Cards are a small reflection of space age progress in its attempt to build the co-operation and effort necessary for each and every individual to lead his daily life whilst at the same time translating his own abilities into positive action that will work for and help towards the solution of mankind's common problems, not only for his own sake, but for the safety, peace and happiness of all mankind, the world, and space.

Wherever you are or go, your Heart of the Space Age Emergency Identification Card will carry your most important particulars in an emergency to pass on to other people, immediately, and on the spot. Why? Because your HSA Emergency Identification Card carries your photograph, as well as your name, address, telephone number, and any other special particulars you may wish to include. The 'special requirements' space enables you to enter whatever essential information is necessary in case of an emergency or accident. All of the particulars on the card are reproduced exactly as you have written them, so that your HSA card is a unique entry prepared by yourself. The elegantly designed card is manufactured from a high-quality and remarkably durable light metal, space age material able to withstand high temperatures, and not subject to water or oil discoloration. FOR FULL DETAILS PLEASE CONTACT ME:

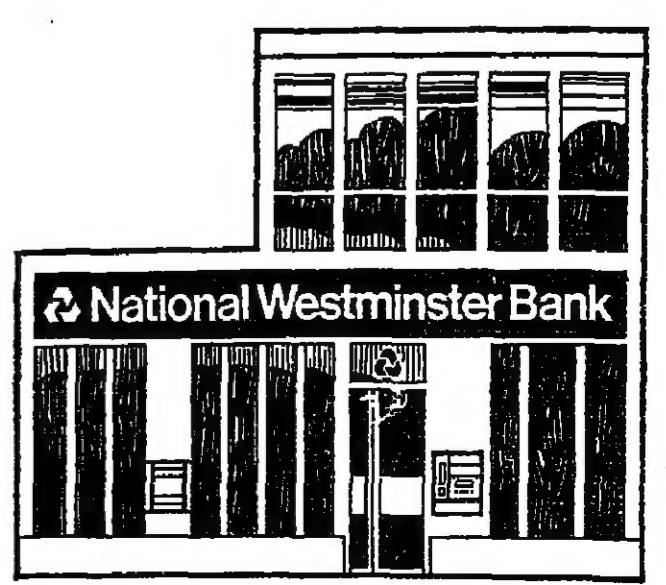
J. Kobayashi
President

Telephone 01-499 5173. Telex 287383. Heart Space London W1

Mr. J. Kobayashi
THE HEART OF THE SPACE AGE CO
1 Berkeley Square, London W1X 5HG

Name _____
Address _____

1992



NATIONAL WESTMINSTER BANK GROUP: FULL BANKING SERVICES INCLUDING BUSINESS DEVELOPMENT LOANS, FOREIGN CURRENCY DEALING AND EXPORT FINANCE, PAYROLL AND COMPUTER SERVICES (CENTRE-FILE LTD), REGISTRAR AND ISSUE SERVICES, DOMESTIC AND EXPORT FACTORING (CREDIT FACTORING INTERNATIONAL LTD), MERCHANT BANKING (COUNTY BANK), LEASING AND INSTALLMENT CREDIT (LOMBARD NORTH CENTRAL), INCORPORATED INSURANCE BROKERING (NATIONAL WESTMINSTER INSURANCE SERVICES LTD).



SADAT VISIT TO ISRAEL

Assassination threat as PLO calls for Arab 'hawks' summit

Beirut, Nov. 20. — The Palestine Liberation Organization (PLO) today asked for a summit of Syria and the four most hawkish Arab states to discuss President Sadat's visit to Israel and a pro-Syrian guerrilla group called for the Egyptian leader's assassination.

The PLO's 15-member executive committee headed by Mr. Yasser Arafat decided to ask Syria, Iraq, Algeria, South Yemen and Libya to meet at a summit level.

Announcing the decision Mr. Arafat said that the committee had decided to ask the four most hawkish Arab states to discuss President Sadat's visit to Israel and a pro-Syrian guerrilla group called for the Egyptian leader's assassination.

The PLO's 15-member executive committee headed by Mr. Yasser Arafat decided to ask Syria, Iraq, Algeria, South Yemen and Libya to meet at a summit level.

Announcing the decision Mr. Arafat said that the committee had decided to ask the four most hawkish Arab states to discuss President Sadat's visit to Israel and a pro-Syrian guerrilla group called for the Egyptian leader's assassination.

Cairo to give hero's welcome

From Our Correspondent
Cairo, Nov. 20.

A hero's welcome is being prepared for President Sadat's return from Israel tomorrow. Thousands of pictures of the Egyptian leader were being taken out of store today to decorate the route from the airport.

Large numbers of lorries and buses are being hired to carry people to greet him on arrival and colourful banners of welcome are being prepared.

Meanwhile many Egyptians described Mr. Sadat's speech in the Knesset as a warning to

Text of Knesset address: 'Let us build tower of peace'

Jerusalem, Nov. 20.—Following is a partial text of President Sadat's address to the Knesset, as supplied by United Press International:

Mr. Speaker, ladies and gentlemen: Peace to all on Arab land and in Israel and everywhere in this large world, a world complicated by its bloody conflicts, seething with sharp contradictions, threatened from time to time by destructive wars made by man to destroy his fellow man—and in the end, amid the ruins of what had been built and amid the remains of human victims, there can be no conqueror and no vanquished.

The party always conquished is man, God's supreme creation—the human being created by God. As Gandhi, the apostle of peace, said: "In order to walk on his feet, build life and worship God."

I came to you today on two firm feet so we can build a new life, so we can establish peace for all of us on this land, the land of God—all of us, Muslims, Christians and Jews alike—and so we can worship God, one God whose teachings and commandments are love, honesty, purity and peace.

I can find an excuse for any one who arrested my decision, when I announced it to the whole world from the Tribune of the Egyptian People's Council, with surprise and shock. Some of these shocked by surprise imagined that my decision was nothing more than a verbal manoeuvre for world public consumption. Some others described it as a political tactic designed to hide my intention of launching a new war.

I can even tell you that one of my aides in the presidential office called me up at a late hour after my return from the People's Council to ask with anxiety: "And what would you do, Mr. President, if Israel actually extended an invitation to you?"

I replied calmly: "I would accept it immediately."

I can find an excuse for all those who were shocked by the decision or entertained doubts about the good intentions behind the decision. Nobody imagined that the head of state of the biggest Arab country, which shoulders the greater part of the burden and the primary responsibility in the issue of Arab and peace in the Middle East, could offer readiness to go to the land of the adversary, while we are all still suffering from the effects of four wars in 30 years.

The families of the victims of the October, 1973, war are still living the tragedies of widowhood and bereavement by the loss of sons, fathers and brothers.

As I have said before, I did not consult on this decision any of my colleagues and leaders, the heads of Arab countries or the confrontation states.

It is enough that many months during which peace could have been established have been lost in disputes and futile discussions about procedures of convening the Geneva conference—all of this reflecting deep suspicion and complete lack of confidence.

Looking beyond the past

Ladies and gentlemen, there are moments in the life of nations and peoples at which persons who have wisdom and vision must look beyond the past with all its horrors, its pain and its suffering, and look ahead for a bold surge toward new horizons. People like us who shoulder this responsibility should be the first to have the courage to make rational decisions, to compromise with the magnitude of the situation.

We must all rise above all forms of fanaticism, above self-deception, above antiquated notions of superiority. It is important for us not to forget that only God is inviolable.

Any life taken in war is that of a human being, be it Arab or Israeli. Any woman who is widowed is a human being entitled to live in a happy family, be it Arab or Israeli. Any children who lose the care of their father are children of all of us, of Arab land or in Israel, and we owe them the great duty of giving them a happy present and beautiful future.

I have discharged and I continue to discharge the historic responsibility. This prompted me to declare some years ago, specifically on February 4, 1974, that I am ready to sign a peace agreement with Israel. This was the first such declaration from an Arab leader since the Arab-Israeli conflict began.

Actuated by all the motives dictated by the responsibility of leadership, I made a statement on October 16, 1973, before the Egyptian People's Council calling for an international conference to establish a just and permanent peace. At that time I was not in the position of someone bearing the peace or asking for a ceasefire.

Fate has willed it that my trip to you—a mission of peace—should coincide with the Muslim feast of Al Adha, the feast of sacrifice, when Abraham—the founder of Arab and Jewish faith—did not come to you in order to conclude a separate agree-

ment between Egypt and Israel. This is not relevant in Egypt's policy. The problem is not between Egypt and Israel, and any separate peace between Egypt and Israel or between any of the confrontation states and Israel will not bring a just peace to the whole area.

Moreover, if peace is established between all the confrontation states and Israel, without a just solution of the Palestinian problem, then this will never lead to a permanent and just peace which the whole world today desires.

Second, I did not come to you in order to seek a partial peace, to the exclusion of the rest of the world. I came to you to propose the state of belligerency at this stage and then propose the whole problem until a permanent agreement is reached. This would lead us to a permanent peace.

Consequently, I have not come to you in order to conclude a third disengagement agreement in Sinai or in the Golan Heights and the West Bank. This would simply mean that we would be postponing the peace process until a future date. It would mean that we are lacking the courage of facing peace and that we are too weak to carry the burden and responsibilities of a permanent and just peace.

I have come to you so that we, together, can build a permanent and just peace and avoid the shedding of a single drop of blood from the body of any Arab or any Israeli.

At this point I go back to my reply to the question: "How can we achieve a permanent and just peace?"

The fact is that the call for permanent and just peace based on the respect for the United Nations resolutions has today become the call of the whole world.

The fifth fact, and maybe it is the most outstanding one, is that the Arab nation is not waiting in the queue for a permanent and just peace from a position of weakness or wavering. On the contrary, it has the elements of strength and stability and thus its policy arises from a genuine desire for peace, based on the civilized realization that in order to avoid a true catastrophe to us and to you and the whole world, there is no alternative to the establishment of a permanent and just peace, unshaken by the winds of doubt or by all international intrigues and manipulations.

On the basis of these facts, with which I wanted to acquaint you, I also want to warn you in all frankness.

I warn you against some notions which may occur to you. The day of reckoning requires me to tell you the following.

First, I did not come to you in order to conclude a separate agree-

The experience of history

Maybe the experiences of ancient and modern history will teach us all that the rocks, warships and nuclear weapons cannot guarantee security but, on the contrary, destroy everything built by security.

We must, for the sake of our peoples and for the sake of mankind, civilization, protect man everywhere from the domination of arms and weapons. We must increase the power of humanity with values and principles, which boost the prestige of man.

If you will allow me, I address the following appeal from this podium to the people of Israel. I address my words, sincere words, to every man, woman and child in Israel.

I bring it to you from the people of Egypt who bless this war and the end of sorrow. Tell them that we are in for a new start, a beginning of a new life of love, good, freedom and peace.

Be the heroes to your sons. Tell them that past wars were the last wars and the end of sorrow. Tell them that we are in for a new start, a beginning of a new life of love, good, freedom and peace.

Be the heroes to your sons. Tell them that past wars were the last wars and the end of sorrow. Tell them that we are in for a new start, a beginning of a new life of love, good, freedom and peace.

The psychological barrier

We must together admit that this barrier has crumbled and fallen in 1973. But there remains another barrier. This is a complicated psychological one. It is a barrier of doubt, of disbelief, of fear of change. It is a barrier of doubts about any action, or move or decision, which is based on erroneous and cautious interpretation of every development and every statement.

As I tell you today, I ask you: Why don't we stretch our hands in honesty, faith and sincerity, to smash this barrier together? Why don't we stretch our hands in honesty, faith and sincerity, to smash this barrier together? Why don't we stretch our hands in honesty, faith and sincerity, to smash this barrier together?

Why don't we stretch our hands in honesty, faith and sincerity, to smash this barrier together? Why don't we stretch our hands in honesty, faith and sincerity, to smash this barrier together? Why don't we stretch our hands in honesty, faith and sincerity, to smash this barrier together?

Why don't we stretch our hands in honesty, faith and sincerity, to smash this barrier together? Why don't we stretch our hands in honesty, faith and sincerity, to smash this barrier together? Why don't we stretch our hands in honesty, faith and sincerity, to smash this barrier together?



Nothing stops a Hertz No.1 man.

When you rent a Hertz car, you're a No.1 man instantly. We don't keep you waiting. You want a car? You get it... fast! An economical Ford Fiesta, the new Cortina, Granada or another fine car; thoroughly cleaned, checked and serviced. It's all part of the Hertz service. A service so efficient that only Hertz could offer you the latest innovation in speedy car rental: the Hertz No.1 Club.*

Being a member of the Hertz No.1 Club means that you won't have to waste time while your rental form is being filled in. It's prepared in advance. Before you leave, you telephone the number below, your travel agent, or your nearest Hertz office. Give your Hertz No.1 Club membership number and your reservation details. Your car will be ready and waiting.

All you do is show your driver's licence and charge card, sign and go. So when you rent cars, rent Hertz and become a No.1 man. And why not do what almost 2 million business people around the world have done: join the Hertz No.1 Club. No introduction is needed, no membership fee. Get your application form for the Hertz No.1 Club at any Hertz counter or office. Or, when you next rent a Hertz car, ask to be enrolled automatically.

Book your rental on any major charge card. Or even easier for you, get a Hertz Charge Card. There are no interest charges. *In Germany, the Hertz VIP Card.

The Hertz No.1 Club
Phone, sign, and go.

MANCHESTER 061-437 8321 BIRMINGHAM 021-643 8991 GLASGOW 041-248 7733

050 من الاصل

SADAT VISIT TO ISRAEL

President gets ecstatic welcome from his enemies but Arabs remind him of their grievances

From Moshe Brilliant and news agency reporters
Jerusalem, Nov 20

President Sadat landed at Ben-Gurion airport at 8 o'clock last night for his first personal encounter with his enemies of four years. A 21-gun salute boomed out and an army band played the Egyptian and Israeli national anthems.

Mr Sadat seemed solemn as he descended the gangway from the red and white Boeing 707, but soon he was smiling warmly and exchanging greetings as he moved among the welcoming throng of Israeli dignitaries.

President Katsir was first with a brisk handshake. Then came a beaming Mr Menachem Begin.

In the reception line were persons whom Mr Sadat had previously known only as distant antagonists.

"Madame," he told Mrs Golda Meir, the former Prime Minister, "I've waited many years for this moment."

The 79-year-old grandmother smiled back and said: "I've waited a long time to see you too."

Mr Sadat leaned forward as he spoke, and it looked as if he might be about to kiss her. Some observers thought he did, but others watching the smiling scene said he only shook her hand with particular warmth.

One of the first things he asked when he got off the aircraft was whether those waiting to welcome him included former General Ariel Sharon, who during the 1973 war led an Israeli counter-attack across the Suez Canal to within 63 miles of Cairo.

Mr Sharon, now Minister of Agriculture, was indeed at the airport. After shaking hands warmly with him, the President said: "I wanted to catch you

there," alluding to the general's thrust into the Egyptian heartland. Mr Sharon replied: "I'm glad to have you here."

President Sadat was overheard telling Mr Dayan, the Israeli Foreign Minister: "Don't worry, Moshe, it will be all right."

Mr Sadat also had a word for General Mordchai Gur, chief of the general staff, who had said last week that the President's move might be a cloak for another surprise military attack. He told him: "You see, I wasn't bluffing."

A fanfare of trumpets sounded as Mr Sadat climbed into a car with President Katsir for the drive over steep, winding roads to Jerusalem.

Streets along the presidential route in Jerusalem were jammed with cheering crowds. Whole families turned out, mothers holding infants aloft, to see the Egyptian leader.

President Sadat's press spokesman called the reception "incredible". Bells pealed out the tune "Getting to know you" when Mr Sadat arrived at the King David Hotel at 9.40 pm.

He waved to the cheering crowd—and went almost immediately into private talks with Mr Begin in his sixth-floor suite.

Half an hour later the Israeli Prime Minister emerged and told correspondents: "We had a very warm and very cordial conversation. You can say that we like each other."

Today Mr Begin and President Sadat had a working lunch together with other officials to make their speeches.

Mr Begin also summoned a special session of the Cabinet and reported on his talks with the Egyptian leader. He ob-

tained approval for what he proposed to say in Parliament.

President Sadat left his suite in the King David Hotel which overlooks the walled Old City early today and drove to the Temple Mount for a service in the silver-domed Al Aqsa mosque, the third most sacred shrine to Islam.

The mosque was half filled with about 1,500 men, many of them Egyptian and Israeli security agents who were conspicuous as they remained on their feet while the worshippers knelt and touched their foreheads to the floor.

The agents kept a close watch, mindful that King Abdullah of Jordan, grandfather of King Hussein, was murdered at that shrine in 1951 by Palestinian extremists after he had shown signs of trying to reach an accommodation with Israel.

At the service, a *qadi* read a sermon in which he said abandoning Jerusalem was like abandoning Mecca. He urged full rights for the Palestinian people.

"We hope that President Sadat and his colleagues, Arab presidents and kings, will fulfil the hopes of the Palestinians in their land," the *qadi* said.

The President sat cross-legged in his stockinged feet on the carpeted floor swaying gently, fingering small green prayer beads and raising his hands to the side of his face with numerous chants of "Allah is Great".

When he left the building he ran into a large, excited crowd of Jerusalem Arabs. "Palestine is Arab," some shouted. One woman pressed close to him and cried: "Don't forget our prisoners, Sadat. Our sons are being tortured."



President Sadat steps back after placing a wreath at the Tomb of the Unknown Jewish Soldier near the Knesset.

Others chanted slogans in his favour. "With our blood and soul we will sacrifice ourselves for you, Sadat," they shouted. "Long live Sadat."

Looking tired, Mr Sadat then crossed the plateau of the Temple Mount to the magnificent Dome of the Rock where a crowd of some 1,000 chanted: "Sadat, don't forget Palestine".

The President was expressionless and a chain of uniformed policemen prevented the crowd from surging forward.

Palestinian nationalists tried to organize a demonstration at the Church of the Holy Sepulchre, but 100 young protesters reached the shrine five minutes after the President had completed a 20-minute visit. The marchers chanted rhythmically: "Sadat, what do you want from us? We are against you. We don't want you here."

They scattered into the labyrinthine alleys of the ancient city as border police moved towards them with sub-machine guns at the ready. Some threw stones at security men. Two alleged ringleaders were detained but later released.

During the visit, the President was greeted by priests representing various churches with interests in the shrine.

Later Mr Begin took the President to the Yehud Veshem memorial to inspect grim exhibits recalling the Nazi concentration camps.

As they entered, Mr Gideon Hausner, director of the memorial, held out a yarmulka, or Jewish skull-cap, and asked President Sadat to cover his head since they were entering a Jewish religious shrine. President Sadat put it on and immediately removed it.

A similar incident involving Dr Waldheim, the Secretary-General of the United Nations, created ill-feeling and led to protests some time ago. Dr Waldheim made up for his

blunder by asking to be taken to a synagogue where he produced a skull cap from his pocket.

In this case the Israelis were more understanding and acknowledged that President Sadat could be in an awkward position if his photograph in a yarmulka was circulated through the Arab world.

Mr Sadat signed the visitors' book and stood to attention for a brief silence at the memorial near Mount Herzl.

A working dinner for Egyptian and Israeli leaders, followed by a meeting between Mr Begin and President Sadat, closed the day's programme.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Earlier Mr Carter attended an early morning service at the First Baptist Church. He offered a prayer asking God to bless the Egyptian-Israeli meeting and to move all parties in the Middle East towards a settlement.

He had been deeply touched when he saw on television how President Sadat had warmly greeted Mr Dayan, Israel's Foreign Minister, and the architect of Egypt's defeat in the 1967 war.—Reuters.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter praises conciliatory spirit

Washington, Nov 20.—President Carter said today that the speeches by President Sadat and Mr Begin in Jerusalem showed a spirit of conciliation and contributed to the cause of peace.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Earlier Mr Carter attended an early morning service at the First Baptist Church. He offered a prayer asking God to bless the Egyptian-Israeli meeting and to move all parties in the Middle East towards a settlement.

He had been deeply touched when he saw on television how President Sadat had warmly greeted Mr Dayan, Israel's Foreign Minister, and the architect of Egypt's defeat in the 1967 war.—Reuters.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

Mr Carter's comment was reported by the White House after he had watched the whole of the proceedings in the Israeli Parliament on television.

France blocks EEC backing for Sadat mission

From Our Own Correspondent
Brussels, Nov 20

France is reported to be blocking the issue of a joint statement by the Nine EEC member states welcoming President Sadat's peace mission to Israel.

The French apparently feel that until the outcome of the mission is known the Nine would be unwise to say too enthusiastically about a venture that has been almost unanimously condemned in Arab capitals.

This caution reflects France's generally pro-Arab position in the Middle East

conflict and concern to protect traditionally close French links with Arab governments.

Some other EEC states are thought to share French misgivings, and the subject is expected to be raised at a meeting of EEC foreign ministers in Brussels on Tuesday.

Paris, Nov 20.—Mr Barre, the French Prime Minister, said in a radio interview tonight that France blocked the statement because it feared the EEC declaration might have been made too soon. But he added: "Who more than the French Government could be happy about anything which started moves towards peace?" —Reuters.

Protests throughout the world

By Our Foreign Staff

Protests over President Sadat's visit continued throughout the weekend in capitals throughout the world. Demonstrations were reported in the following cities:

Delhi: Palestinian students throwing stones at the Egyptian Embassy yesterday. They smashed furniture and windows and tore down a portrait of President Sadat before police ejected them. Several arrests were made.

Moscow: Arab students demonstrated outside the Egyptian Embassy yesterday as the official Soviet press again voiced criticism of Egyptian policy.

Tokyo: About 20 Libyan diplomats and residents in Tokyo burnt the flag of the United Arab Republic yesterday, the Kyodo news agency reported.

The red, white and black flag was adopted when Egypt, Libya and Syria formed a united republic in 1971.

Tanzania: The Libyan Charge d'Affaires in Madagascar also burnt the flag of the United Arab Republic yesterday.

London: A group of about 50 Libyan students and businessmen gathered at the Libyan Embassy in Kensington on Saturday night and burnt the UAR flag, shouting "Down with Sadat" and "Power to the people".

Earlier, about 200 Palestinians waving placards and chanting

protests picketed the Egyptian Embassy.

Buenos Aires: Libyan diplomats yesterday publicly burnt the UAR flag and one read a statement announcing that "in these moments when the Arab nation is facing a tragedy without equal in its contemporary or ancient history, the people of the Jamahiriya (Libyan Republic) have met in a special session to adopt various resolutions which will be issued at the opportune time."

Athens: Twelve Arab university students were deported yesterday after a protest at the Egyptian Embassy on Friday night which resulted in the death of one person and the wounding of 20 others, including Greeks.

Jewish veterans pray for peace at Cenotaph

Jewish ex-servicemen attending their Remembrance Day service at the Cenotaph in London yesterday joined in a special prayer for peace in the Middle East.

Chief Rabbi of the United Hebrew Congregations of the Commonwealth, called on the veterans to pray for successful deliberations between President Sadat and Mr Begin.

Mr Greville Janner, QC, Labour MP for Leicester, West, and a member of the Board of Deputies of British Jews, said after the service: "I think the reaction of British Jews to the Jerusalem talks is that we have here the beginning of peace and

that the ice, having been broken, cannot reform at the same temperature."

Mr Janner said Mr Sadat and Mr Begin were brave men who appeared to have formed a good personal relationship.

Mr David Crouch, Conservative MP for Canterbury, and chairman of the Anglo-Egyptian Parliamentary Group, said Mr Sadat's speech was the most important statement for peace in the Middle East since the establishment of Israel in 1947.

He forecast that the visit to Jerusalem would mark the breaking of the impasse between the Arabs and the Israelis.

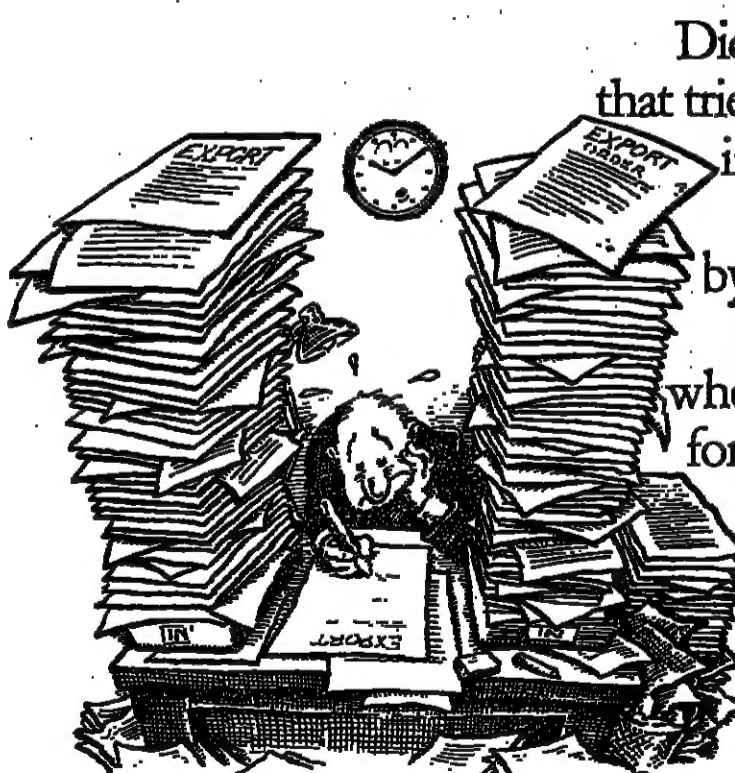
Grandchild born during speech

Cairo, Nov 20.—President Sadat became a grandfather today. His daughter gave birth to a baby girl in a Cairo hospital as the President was speaking before the Knesset.

Reliable sources said the President's wife followed the speech on radio while waiting at the bedside of their daughter.

—Agence France-Press.

IF YOU KNEW WHAT COULD GO WRONG WITH EXPORTING, YOU'D LEAVE IT TO SOMEONE ELSE.



We'll deal with time-consuming paperwork.



We can protect your currency.

Did you hear about the company that tried exporting Christmas puddings to Australia?

They were finally cleared by customs on January 4th.

Or the one about the man who insured his crystal decanters for sea and road transport?

Only for a crane to fall on them at the docks.

Or the businessman who fixed his construction contract in dollars?

On his way back from New York, the pound shot up 7 cents. These are all typical tales of woe from companies new to the complex business of exporting.

And the saddest thing about them is that they could so easily have been avoided.

If only companies would look for advice before they became involved, they'd be less likely to find themselves

in deep water.

At Barclays, we have 25 international branches throughout the UK as well as 1,700 around the world.

So there's little we don't know about world-wide markets.

We can open your eyes to things that can befall you in foreign parts.

And at the same time, help you to steer a safe passage for your goods.

We can pinpoint places where your best opportunities lie, put you in touch with the right people, and check their credit-worthiness.

We can also give you inside information on things that normally only the locals know about: customs, currencies, insurance, terms of trade, government tariffs, loans and credit facilities.

Before venturing abroad then, might we suggest you set off on a somewhat shorter expedition:

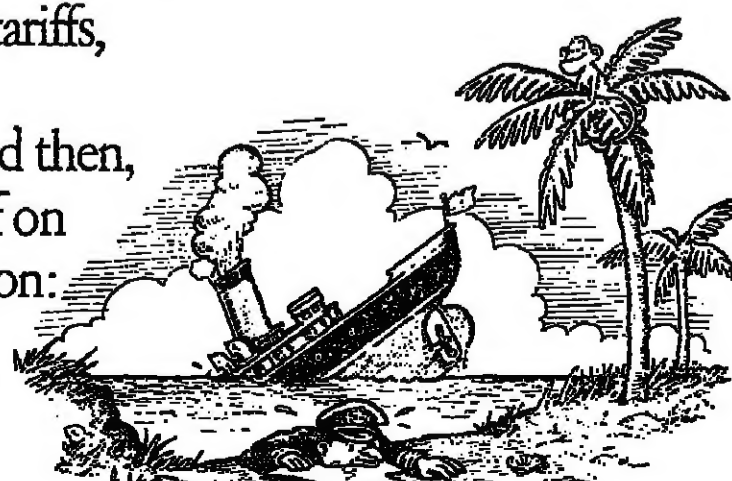
To your local Barclays branch.



We can help settle your customs problems.



We'll make sure there's no misunderstanding.



We'll make sure you've got the right cover.

BARCLAYS

OVERSEAS

Mr Smith expected to admit black leaders into Cabinet

From Frederick Cleary Salisbury, Nov 20

Mr Ian Smith, the Rhodesian Prime Minister, is expected to offer far-reaching changes to the constitution to bring African leaders into his administration when he sets out later this week to seek an internal settlement.

Asked at the weekend if he had formally rejected the Anglo-American proposals as outlined by Dr Owen, the Foreign Secretary, and Mr Andrew Young, the United States representative at the United Nations in Salisbury on September 1, Mr Smith replied that they had been universally rejected by Rhodesians.

"Let us, therefore, be realistic," he said in an interview. "We cannot sit by and allow things to continue in a vacuum. So as I said on Friday night (at a Rhodesian Front function in Umtali) I believe the time is ripe for Rhodesians to get on with the task now and settle their problems."

Experience has shown that when outsiders have tried to help us with our constitutional problems the exercise fails. Other members of the Rhodesian Front have been pretty vocal with their advice by shouting, 'Don't try and force your views on others'. Surely they are not trying to suggest that this applied to everyone

else in the world but not to Rhodesians."

He added: "New initiatives have started and I anticipate that serious decisions will be made during this coming week."

Mr Smith has worked in the past week to bring together the various nationalist groups: the United African National Council, led by Bishop Abel Muzorewa, the African National Council, led by the Rev Ndabambi Sithole, and the Zimbabwe United People's Organisation, headed by Senator Chief Chibaru.

He might hold a referendum to establish who is the acceptable black leader and negotiate from there for a majority-rule government. Or he might bring several of the black leaders into his Cabinet with full executive powers and exact legislation cancelling the racist discriminatory laws. Flights suspended: The Portuguese Airline TAP has stopped its direct flights into and out of Rhodesia, it was announced in Salisbury today.—Agence France-Press.

Mrs Gandhi fails to win struggle for top party post

From Richard Wigg Delhi, Nov 20

After six weeks of acrimonious manoeuvring, supporters of Mrs Indira Gandhi abandoned this weekend their attempt to have the former Prime Minister handed the presidency of the Congress Party on a silver platter.

It marked another setback in Mrs Gandhi's attempted comeback. Yesterday, before the party leaders called on her as she celebrated her sixty-first birthday, one of her principal followers had gone to Mr Brahmananda Reddy, the party president, to tell him they had decided to give him an unconditional offer to oust her from office. Last month he had talked of Mrs Gandhi being swept into office with an overwhelming party vote.

Mr Reddy, who was Mrs Gandhi's opponent for the highest party post after the March general election debate, issued a statement which refers to her merely as "one of our respected leaders" whose advice on party matters would receive due consideration. There was no longer any talk of her preeminence.

Amin threat to Americans living in Uganda

From Our Correspondent Nairobi, Nov 20

President Amin today threatened to take unspecified retaliatory action against Americans in Uganda if an anti-Ugandan campaign in the United States leads to attacks on Uganda's missions in New York and Washington.

He has been angered by campaigns aimed at cutting trade between the United States and Uganda, and said some Ugandan helicopters had been seized in America.

President Amin, according to Uganda radio, said these moves resulted from the "malicious propaganda" of a number of former Ugandan ministers and officials, who were wanted, dead or alive, to answer criminal charges in Uganda.

Cyclone kills 240 along east coast of India

Hyderabad, Nov 20.—A tropical cyclone, which lashed coastal areas of the South Indian state of Andhra Pradesh yesterday, killed at least 240 people, it was announced tonight.

The heaviest death toll was in the Guntur district, 200 miles south-east of Hyderabad, on the Bay of Bengal, where 203 people died, the Statecar news agency reported. In the town of Guntur more than 100,000 people were left homeless.

The coastal city of Machilipatnam was hit by 12ft waves whipped up by 65 mph winds, and widespread damage was caused to property and standing crops further inland. Several parts of Machilipatnam were submerged under two feet of water.—Reuters.

Prisoners of conscience



Indonesia: Miss Sukijah

By David Watts

Although it is a cliché that innocents are often swept into political upheavals, there can be few examples as telling as the case of Miss Sukijah, who was 13 years old when she was arrested during the abortive Indonesian coup of 1965. She has spent the last 12 years in detention without trial.

The coup attempt was planned by several middle-ranking army officers against their leadership. These officers had established their headquarters at a paragon ground at Lubang Buaya, near the outskirts of Jakarta, which was being used by various left-wing and nationalist organizations. Some women and girls were attending training courses there.

During the coup six army generals were killed and their mutilated bodies were found at Lubang Buaya. The women at the camp were blamed by the authorities for these alleged atrocities. There is no evidence, however, that they were involved.

The new army leadership, under General Soeroto, quickly

crushed the coup attempt and brought the situation under control, accusing the Indonesian Communist Party of being responsible for it. Hundreds of thousands of people were arrested and killed during the ensuing months.

Anyone who was at Lubang Buaya on the night in question, including Miss Sukijah, was considered to be deeply implicated in the coup. Yet the Indonesians have never rested such allegations in open court.

Miss Sukijah comes from a poor family and has only a primary education. She was not connected with any political organization but was present at Lubang Buaya on the night of September 30, 1965. At the time of her arrest she was an outgoing child and insisted on going for training at Lubang Buaya with a group of members of the People's Youth movement, even though she was too young.

Her trauma over her arrest was intensified by the fact that for the first few months of her detention in Buldur Duri prison in Jakarta she was kept isolated from other women prisoners. She was completely unaware of the reason for her arrest and had no comprehension of the political events in which she had been swept up.

Miss Sukijah is now at Plannungan women's detention camp in central Java, having been transferred there in 1971. Last month David Jenkins, Jakarta correspondent of the *Far Eastern Economic Review*, described his visit to Plannungan. Of Miss Sukijah he wrote: "Politically illiterate and utterly ingenuous, Sukijah has spent almost half her life in prison because no one, it seems, has ever bothered to review her case."

She is one of an estimated 2,000 women detainees in Indonesia out of a total variously estimated at between 55,000 and 100,000.

Complaint by banned editor is upheld

From Our Own Correspondent Johannesburg, Nov 20

The South African Press Council today ruled in favour of a complaint by Mr Donald Woods, banned editor of the East London *Daily Dispatch*, against the Cape Town newspaper *Die Burger*.

The council found that a headline on a report in *Die Burger* of September 19 concerning the late Steve Biko was misleading and that the paper should have published a correction immediately after receiving the complaint from Mr Woods.

The report on the paper's front page bore the headline: "Corpses and blood demanded in Biko pamphlet." It stated that a pamphlet referring to the burning down of houses, corpses in the streets and wounded and bleeding people had led to Biko's detention. It added that *Die Burger* had been shown the pamphlet by Mr James Kruger, the Minister of Justice.

However, Mr Woods immediately complained that the headline was grossly misleading in that it created the impression that a minister's allegation (unproved) of a Biko connection with an anonymous pamphlet was established fact instead of simply an ex-parte statement.

As Mr Woods is restricted to East London under his banning order he was unable to attend the council's hearing. He was represented by a lawyer, Mr Kelsey Stuart.

World interest in case surprises S Africans
Biko family's lawyer scores in a formidable task

From Nicholas Ashford Johannesburg, Nov 20

Until his death in police custody two months ago, few South African whites had ever heard of Steve Biko, the founder and inspiration of the country's Black Consciousness movement.

But now, at the beginning of the second week of the inquest into his death, his name has become a household word. Every day last week English and Afrikaans newspapers provided wide coverage of the inquest. The general election, which to a large extent was brought about by the worldwide outcry over Biko's death, has become a side issue.

Foreign interest in the case has surprised even those South Africans who were aware that Biko was better known abroad than in his own country. Every day tens of thousands of words are filed to overseas newspapers by the 40 or so foreign journalists covering the inquest.

Outside the court television teams from half a dozen countries wait in the shade for the proceedings to end so they can snatch a quick shot of members of the Biko family, the formidable array of the security police witnesses or members of the five legal teams involved in the case.

Two leading lawyers from Britain and the United States are present as observers. They are Sir David Napley, the immediate past president of the Law Society, and Mr Louis

Pollack, Dean of Pennsylvania's Law School.

The surroundings for such a dramatic and highly publicized inquest are surprisingly drab. The nineteenth-century synagogues, scene of many past political trials, is in need of a lick of paint and a ventilation system. As the outside temperature climbs to around 90°F each day, the two hundred spectators inside the court, most of them black, begin to look uncomfortable.

For many of the spectators the proceedings are almost incomprehensible. The acoustics are so bad that only people in the first few rows can hear what is being said. Furthermore, most of the proceedings are in Afrikaans, which is the first language of the policemen involved in the case but which many blacks understand with difficulty. Including Biko's widow and other members of his family who are accompanied by an interpreter.

Mr Sydney Kentridge, counsel for the Biko family, has attempted to overcome this problem by insisting on carrying out his cross-examination in English. The replies are in Afrikaans, but for the sake of his client (and the foreign press) he skillfully manages to encapsulate in each of his questions the answer he had been given to the preceding one.

There can be little doubt that Mr Kentridge has been the star performer of the inquest so far. Eloquent, incisive,

never at a loss for a word, he has skillfully interrogated Biko's interrogators about what happened during the last 25 days of his life while he was held in police custody.

The task facing him is a formidable one, perhaps even impossible. For if, as he has suggested, there has been a "cover-up" of the circumstances surrounding Biko's death, he has to demolish the carefully orchestrated evidence of the police witnesses. And he must do it in such a way as to convince the presiding magistrate, Mr Martinus Prins who despite the impartiality he has shown so far, is a state employee whose ultimate superior is Mr James Kruger, the Minister of Justice and Police.

Mr Kentridge's problem is that the only people who had contact with Biko before his death are security policemen, prison warders and doctors, all of whom could have reasons for wanting to conceal the exact circumstances of his death. He is unable to call two of Biko's colleagues who might be able to give an alternative viewpoint because they are both being detained under section 6 of the Terrorism Act.

He has, however, managed to make a number of significant breaches in the police defences. Next week it is the turn of the three doctors who examined Biko before his death to give evidence. They are likely to face very stiff cross-examination by Mr Kentridge.

Mr Vance to appease vexed S Americans

From Patrick Brogan Washington, Nov 20

Mr Cyrus Vance, the Secretary of State, was setting out for South America today, to visit Argentina, Brazil and Venezuela and discuss human rights, nuclear non-proliferation and oil prices.

President Carter was to have visited Venezuela and Brazil on his trip postponed two weeks ago because of the continuing debate in Washington on the Energy Bill. Mr Vance is going instead to South America. The President will visit the African, Asian and European countries on the last immediately after Christmas, and will probably visit South America some time later.

Relations between the United States and various South American military dictatorships have been cool since Mr Carter took office because of his repeated criticisms of their violations of human rights. The Americans claim that Mr Carter's public utterances and private exhortations have born

fruit and that things have improved in a number of countries.

Whether this is true is a matter for dispute. It is at any rate clear that the United States now wants to restore good relations with its southern neighbours, notably Brazil. The Brazilians had an additional source of complaint against President Carter: they were particularly offended by his attempts early this year to restrict the West Germans selling them nuclear power plants and technology.

Last week, the United States lifted the ban on the sale of enriched uranium to Brazil and Mr Vance will doubtless do his best to soothe any remaining ruffled feathers there. He may raise the question of human rights in Argentina (the has been given a list of more than 7,000 people who are missing there) or in Venezuela, he will discuss oil prices. That country is one of the United States' principal oil suppliers.

Czech dissidents penance

Vienna, Nov 20.—Mr Otá

Ornest, aged 64, a dissident Czechoslovak theatre director sentenced to three and a half years in jail for publishing manuscripts abroad, performed public penance on television on Saturday, criticizing Amnesty International and Western human rights speeches at the recent Belgrade conference, dissidents said.

Moscow: Mrs Valentina Poiladze, aged 52, a Georgian

member of the Helsinki Human Rights Group, has been arrested by the Soviet authorities, bringing the number of imprisoned members to 15, dissidents said. Release expected: Professor Yury Orlov, the Russian physicist held in jail since February, should soon be released under an amnesty granted by Mr Brezhnev, according to Mr John Macdonald, QC, who headed the campaign in Britain for his release.

Try TWA on business and you'll realise why they are the No.1 airline across the Atlantic.

Try TWA—they're good! In fact, in America, TWA is known as an on-time airline.

NEW YORK	ON TIME
BOSTON	ON TIME
CHICAGO	ON TIME
LOS ANGELES	ON TIME
SAN FRANCISCO	ON TIME
PHILADELPHIA	ON TIME

If you want to work, take advantage of the Business Zone. It's situated to avoid distractions and no movies are shown in this section. Operates in economy class on 747's when load factors permit.



You get a big comfortable seat, a choice of drinks, a choice of meals and a choice of movies.*



On arrival in New York you get an exclusive international terminal to get you through fast. No other airline gives you this big advantage. It's not surprising TWA carries more scheduled passengers across the Atlantic than any other airline...they make it so easy!

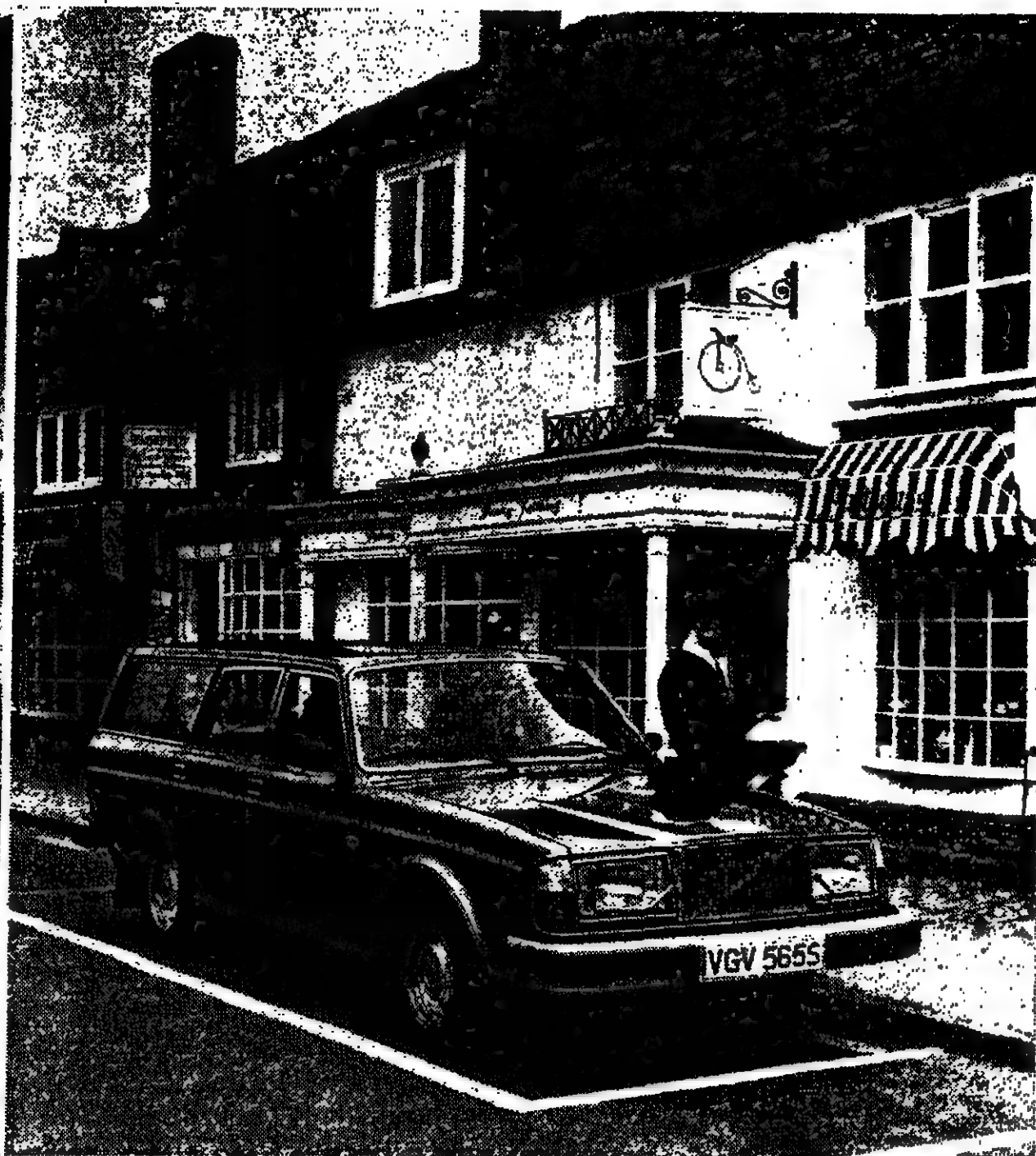
Call your travel agent or TWA.

No.1 across the Atlantic

TWA

*By international agreement there is a small charge for in-flight entertainment and for alcoholic beverages in economy class. Occasionally the latter of meals is subject to availability.

مکتبہ اسلامیہ



Volvo 265GL 6 cylinder fuel injection engine, leather upholstery, power steering, tailgate wash-wiper and tinted windows £6899



Volvo 265GLE. As you'd expect, it has every feature of the GL model, together with air-conditioning, electric windows and electrically-operated exterior mirrors. £7398.



IT'S GETTING BETTER ALL THE TIME.

THE NEW VOLVO 260 SERIES PRICES SHOWN ARE FOR MANUAL VERSIONS AND EXCLUDE DELIVERY AND NUMBER PLATE CHARGES. AUTOMATIC VERSIONS ARE ALSO AVAILABLE.
FOR YOUR FREE COPY OF THE VOLVO FACTS WRITE TO VOLVO CONCESSIONAIRES LTD LONDON W13 9SQ. ENQUIRIES, SALES TEL HIGH WYCOMBE (0494) 384444. SERVICE TEL IPSWICH (0478) 72026. PARTS TEL CRICK (0785) 822131.

Two reports from Jerusalem on reaction to the historic visit to Israel by President Sadat of Egypt

Breaking the barriers of hatred in the Middle East

Whatever the immediate outcome of the Sadat-Begin talks, almost everyone I have spoken to in Jerusalem this weekend says that the Middle East confrontation will never be the same again.

Eric Moonman

While there are substantial political divisions between Israel and the Arab states on such questions as the right of Israel to exist within secure borders, the placement of the Palestinian refugees and the level of military deployment, the critical difficulty has always been the psychological barriers which have stood in the way of the Jewish people, and four wars have built up. Egyptians and Israelis think of each other in terms of caricature, a state of affairs hardly to be wondered at as each has been fed a diet of propaganda.

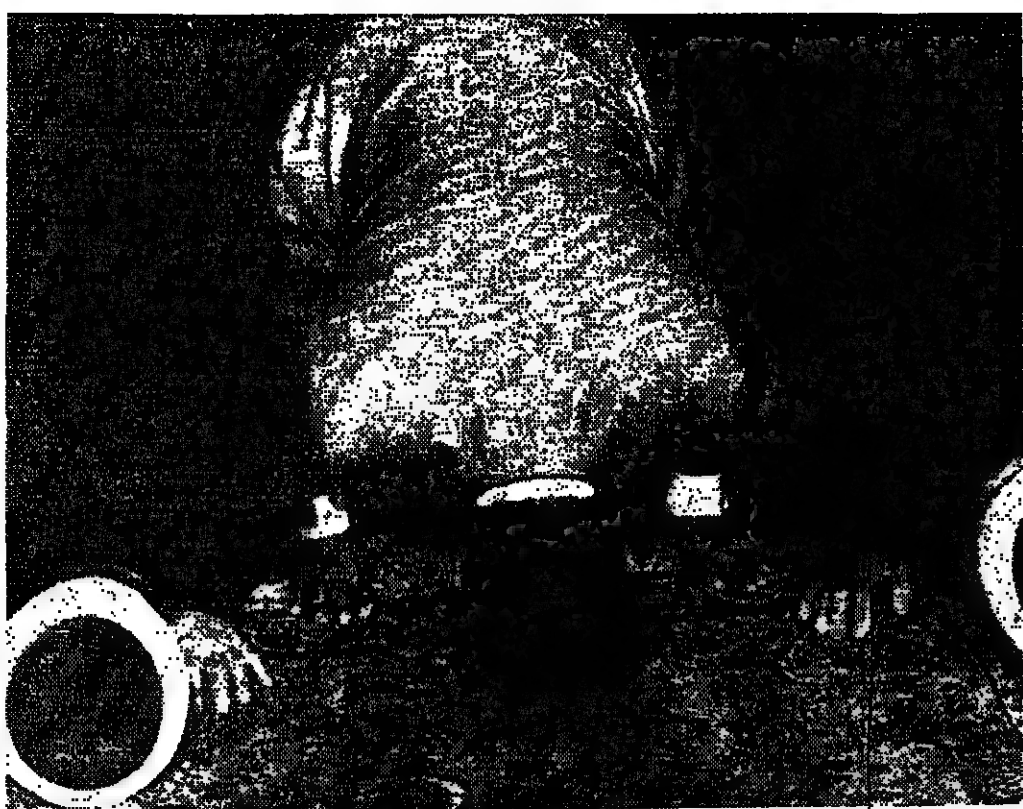
In particular the Palestine Liberation Organization's public relations machine, which took over where the Nazis left off in urging the destruction of the Jewish people, is crude and singularly unimaginative. It has succeeded in obscuring not only for other Arab peoples but also for a large part of the world the fact that Israel is a tiny country in a vast continent of Arab states, that her 3,000,000 people form a mere 3 per cent of the total Arab population of the region.

Israel, for her part, has been reluctant to trust any previous attempt to initiate a compromise. She could not shake off the suspicion which was the result of the sufferings of her people in the 1930s and the earlier pogroms as illustrated so hauntingly in the museum at Yad Vashem in Jerusalem, which President Sadat has now seen for himself. Thus the body machine has worked in both directions.

Within the past four days in Israel there has been an emotional conflict between the optimists and the cynics. Initially President Sadat's visit caused some apprehension. A warning by the Chief of Staff, General Mordechai Gur, of possible reprisals by the Egyptians received both sympathy and understanding. But by the time Mr Sadat's plane touched down on Saturday night at Ben-Gurion airport, the Israelis were back to believing in miracles.

To the Israeli man-in-the-street the politicians had so far failed to resolve the dilemmas on the nation's security. A new approach was needed. Yosef Goebl, in Friday's *Jerusalem Post*, said: "There is a deep desire to believe that what has eluded plodding diplomats and unimaginative politicians over three decades will be vouchsafed us in one fell swoop by a miracle."

But miracles apart, there are some hard political issues involved in the top level meeting which ends today. Both Mr Sadat and Mr Begin have taken remarkable risks with their own people. Preparations for such a meeting have proceeded privately for some months, hence the importance of Mr Begin's visit to the Egyptian President. The Israelis have been reluctant to trust any previous attempt to initiate a compromise. She could not shake off the suspicion which was the result of the sufferings of her people in the 1930s and the earlier pogroms as illustrated so hauntingly in the museum at Yad Vashem in Jerusalem, which President Sadat has now seen for himself. Thus the body machine has worked in both directions.



President Sadat, flanked by Muslim leaders, prays at the El Aqsa Mosque in Jerusalem.

Dr Kissinger's comment that the failure of Mr Sadat's visit would "pose the gravest of dangers to the whole peace-making process" seem futile and even sour.

Mr Sadat is not meddling. He knows precisely what he is doing. He has prepared for this moment and he was not to be diverted. For instance, when he spoke on the same day that Israel launched a serious retaliatory raid against the terrorists in Lebanon, he declined to condemn Israel. Indeed he ignored the whole question of the Israeli-Lebanese border.

The only cynicism I have met in this quiet Jerusalem atmosphere is the feeling that both men needed the typical politician's diversionary tactics favoured by Presidents Eisenhower and Johnson: to travel abroad or to receive a guest when your domestic economy is rocky. This might well apply, as the economic viability of both nations looks dismal, although Israel's trade gap has now been partially closed and the austerity measures have checked the flow of imports. But it can be only part of the story.

If we are to dabble in the area of motivation at all, then the personalities of the two men are perhaps more revealing. Mr Begin and President Sadat are more pragmatic and compromising than their political postures have hitherto led anyone to believe.

Mr Begin impressed me at a meeting I had with him last Friday as having a quiet, calm and dignified approach to the talks. "We must avoid becoming over-optimistic, but the power to talk with my adversaries across a table is what I've been elected for," he declared.

So what does it all add up to? Three things.

1. That such moves and initiatives for top-level talks pass the decision-making back to where it belongs, to the actual parties in the dispute. It places the role of the United Nations and even of the big powers in perspective. No one should imagine that an automatic built-in majority of some 60 Arab-African states at the United Nations against Israel would ever have the courage that country to take account of predictable resolutions revealing more humbug than wisdom.

2. That while an important shifting of ground can hardly be expected to flow from these talks, it seems inevitable that the dialogue will be maintained, and will continue with other Arab statesmen in and outside Israel.

3. That the politicians of both countries have moved in line with their people in the search for peace. At one of the Egyptian party for whom I gave up my bed in the King David Hotel on Friday said: "The Arab leaders are taking physical risks in pursuing the talks. Mr Begin is far from well and is obviously under strain, while Mr Sadat has to look carefully at one or two of his Arab neighbours to see that they do not move against him."

Yet perhaps it is the very nature of such risk-taking by both men that commands these initiatives to their people and to all caring people in the rest of the world.

The author is Labour MP for Baffin.

A 'dream come true' may help to end a nightmare

"Finch me and I'll wake up." This headline from the *Jerusalem Post* perfectly summarizes the mood in Israel this extraordinary weekend. One wonders if President Sadat can have realized, when he announced his willingness to come to Israel 11 days ago, apparently as a gesture of defiance, how many Israeli dreams he was going to make come true.

In vain do more thoughtful Israelis try to remind themselves that nothing is settled yet that all the substantive issues of the Arab-Israeli conflict remain unresolved. For the moment everything is overwhelmed by the euphoric feeling of release from the strange isolation in which Israelis have lived for the 29 years of their state's existence.

Even the visiting correspondent, hard-bitten analyst though he may think himself, pro-Arab apologetics though he may have laboured, cannot easily avoid being caught up in this emotion. A series of apparently banal events takes on a huge symbolic significance.

"A Boeing 727, clearly labelled 'Arab Republic of Egypt', taxis gently up to the end of a waiting red carpet. The air terminal is festooned with Egyptian flags. So what? I saw the same scene arrive at the King David Hotel on Friday and the flags at Damascus airport only two days before. But when the gangplank with its El Al label rests against the aircraft door, we are suddenly in a different world."

The Egyptian President stands blinking (with deep emotion or from simple nervousness) while the band plays the Israeli hymn *Hatikva*. He inspects the Israeli guard of honour. He shakes hands with every member of the Israeli Cabinet, puts an arm round Mr Moshe Dayan's shoulder and swoops to give Mrs Golda Meir the Prime Minister, who looks very much like an embrace.

He rides side by side with the Israeli President in an official car, signing autographs at the King David Hotel and Mr Menachem Begin, Israel's Prime Minister, reviled by Arabs for 30 years as the man who

ordered the Deir Yassin massacre, pays him a courtesy call in his suite. These things most ordinary Israelis watched on their television sets on Saturday night, not feeling quite sure that they had not switched on some ingeniously presented science fiction film. But no less incredible were the academics, officials and journalists who mingled with the international press at the amazingly efficient press centre, organized at 48 hours' notice in the Jerusalem Theatre.

Dr Amatzia Baram, of the Harry S. Truman Institute on Mount Scopus is writing a thesis on Egyptian left-wing ideology. He could not quite get used to the sight of flesh-and-blood Egyptian journalists wandering round his home town, and asked rather shyly to be introduced to them. Others had no qualms about rushing up to them, pumping their hands and bombarding them with all kinds of questions.

Unlike the official presidential party, sheltered behind a thick wall of security, the Egyptian journalists were accessible to anyone who could recognize them—and if you could not recognize them there was always trial and error. They were clearly overwhelmed by the novelty of the experience, but they reacted differently from the Israelis, being few among many and in a strange land. They found themselves promoted into instant spokesmen for their Government and their country, a role for which most of them—especially those who work for Western news agencies—were not prepared. They answered questions quietly and politely.

Yes, of course they were pleased to be there. Yes, they admired Mr Sadat's decision to come. But evidence that they did not feel it was for them to throw themselves into an orgy of embraces and celebrations. One could be seen sitting on Saturday night in the lobby of the Diplomat Hotel, signing autographs for the special souvenir edition of the *Jerusalem Post* (with headline in Arabic) for a party of American tourists who unwittingly

booked their Holy Land holiday over this historic weekend. Another, when I told him this morning that Syrian television had shown "the arrival in Israel of the traitor Sadat", replied: "Yes, that's what I was afraid of. The welcome at the airport may have been too warm for Arab opinion to accept."

Still, he was optimistic. "Now that the miracle has happened, anything is possible," he said. I asked why he thought it was possible for President Sadat to do this now, but not earlier. "Because," he said, "he has taken a long time preparing Egyptian public opinion for it, so that peace is no longer something we have to feel ashamed of."

What of the Palestinian Arabs living under Israeli occupation? For them, of course, there is nothing magical or extraordinary about direct contact with Israelis. But many of those who are not politically minded were caught up in the general euphoria—encouraged to see an Arab leader among them, feted by the Israelis, and leading to the conclusion that peace is about to break out and that they can only benefit from it.

But among the more politically aware Arabs, the reaction has been much more cautious, when not downright hostile. The point was made politely by the peacher at the service in the El Aqsa Mosque which Mr Sadat attended this morning. He reminded the distinguished visitor that "from this mosque you can see the affliction of the Palestinian nation which suffers from the disaster" (the Arab word for the war of 1948), and warned him that "any abandonment of our rights in Jerusalem would be the same as losing our rights in Mecca and Medina." Less polite were the students who demonstrated outside the Church of the Holy Sepulchre, shouting "Sadat, what do you want from us? We are against you, we don't want you here." And after invoking the memory of Gamal Abdel Nasser, went on to shout "Sadat, Sadat, you are a traitor!"

Edward Mortimer

Cemeteries fit for heroes

We live in an age of utility, in our architecture as in other aspects of life. Nobody who looks at what we build can suppose that it serves any purpose other than efficient function, if that. Architecture to delight the eye, or stir the spirit, or proclaim the future, or celebrate the past is considered irredeemably old-fashioned. We have a horror of emotion, even in stone.

After the last war our principal memorial was not marble but the National Land Fund established with a capital of £50m derived from the sale of war surplus by Hugh Dalton in 1946. This fund, intended for the cultural and recreational enjoyment of the British people, has seldom been used, and has had its pocket surreptitiously picked by successive governments, so giving neither honour to the dead nor benefit to the living.

The First World War, still significantly better known as the Great War, saw the end of confidence in monumental architecture, as it saw the end of so much else. More than eight million people died in the war, and among the early casualties were belief in art and progress.

Funereal architecture, from the Cenotaph in Whitehall to no fewer than 918 separate cemeteries that still delineate

the Western Front, commemorates the slaughter and the sacrifice in the final flowering of civilisation in stone. At Armistice Day, Gavin Stamp has opened a memorable exhibition at the Royal Institute of British Architects of the silent cities that we built to the dead. He says: "It is one of the many ironies of the war that the catastrophe which irretrievably shattered European civilization allowed a final and supreme expression of the Renaissance humanist tradition in stone."

Another paradox of the Great War was that while its terrible battles expended human lives as wantonly as bullets, afterwards each life was to receive a permanent memorial in stone. Some thought this cynical humbug. Stiegfried Mason wrote savagely of the Ypres memorial to the missing, the Menin Gate: "A pile of peace-complacent stone. Well might the dead who struggled in the slime rise and deride this sepulchre of crime."

In fact Blomfield, Lutyens, and the other architects of the Imperial War Graves Commission, were not erecting slabs of Imperial bombast, but trying to express the vast scale of the human sacrifice in permanent and dignified architectural form, which has meaning by being rooted in tradition. The memorials were not

pieces of propaganda by the Government, but the inspiration of a remarkable man, Fabian Ware. During his service at the front with the Red Cross, Ware became more and more concerned with locating and recording the graves of the dead. His work was not at first officially recognised, but it was of great benefit to the survivors of the dead as well as to soldiers in the field.

Rudyard Kipling eventually became literary adviser to the Imperial War Graves Commission, and gave them the inscription "A soldier of the Great War known unto God", and the text from *Ecclesiastes*, "Their Name Liveth for Evermore."

When George V made a pilgrimage to the battlefields in 1922, he observed: "I have many times asked myself whether there can be more potent advocates of peace upon earth than the years to come than this massed multitude of silent witnesses to the desolation of war."

He was right. We have lost the talent and the self-confidence to express grief and loss monumentally in stone. Let us hope we never need it again. Stone is cold comfort to the dead. But the soldiers of the Great War and their relatives thought it was better than nothing. And at its highest, as in the Cenotaph and the pyramidal memorial to the missing of the Somme, it attained a melancholy majesty that is out of our reach today.

Philip Howard

The human face of South Africa that need not fear the rest of the world

I have been in South Africa three times this year. And on each occasion I found myself afraid in a new way. Only on the last visit was I able to pin down this fear: the acute and deeply felt fear for the African people of South Africa.

I think somewhere in the last year or so the whole trend of African leadership has taken a deep deviation towards the worse.

If we really are contemplating profound changes in our constitution, if they are going to meet the terrible challenge which life holds out for us in the future, are going to withstand the international pressures which are going to be put on us, we can only do so if we have a constitution which is based more broadly than it is based now, which is conceived in the same way as the spirit of the original contract of union was inspired and conceived.

Therefore, to hold an election on the constitutional issue, to approach it on a party basis, is not only clumsy but also dangerous, and I would almost go as far as to say, it is evil.

You can only have a new constitution if all the people of South Africa are consulted. The events of the last 30 years have proved that South Africa has moved out of an era where it can be governed as it has in the last 30 years by a narrow African elite.

I can understand why this has come about; historically, there are reasons for it. And I have always felt, however much I disagreed with the government policy over the past 30 years, that perhaps if one gave it time, the instinctive decency, the high level of the old Calvinist conscience found in Afrikanerdom, and which has flickered very fiercely in places like Potchefstroom and Stellenbosch recently, would convert the people in power, and make them take up again the broad creative stream of Afrikanerdom which demonstrated itself so remarkably at the national convention of the union.

But we must face up to the fact that in the past 30 years, Afrikanerdom, exercising the greatest power that it has had in its history, politically unchallenged, has produced a lesser concept of what it means to be a South African than it inherited when it took over.

This, to me, is the heart of the matter: the failure of Afrikanerdom to produce a contemporary concept of nationhood in which all the inhabitants of South Africa could meet and unite.

The outstanding fact we have to face up to in South Africa seems to me to be that the national government in power has produced a fragmentation of South African society, has produced almost the

destruction of the spirit of union on a scale which to me seems unbelievable. I have never seen so fragmented, I have never seen us so at a loss for a vision of the future with which we can all identify, emotionally as well as rationally. We are estranged from ourselves, and the Afrikaners are estranged among themselves.

If one could look through this intense historical loyalty which makes them present a united face to the world and the electorate, you will be amazed by the agency, the heart-searching, the disappointment, and the recriminations that are going on at this moment.

Because in their heart of hearts, Afrikanerdom knows that if it goes on this road it has followed for the past 30 years, it is doomed.

And I think the great heresy which haunts Afrikanerdom in that a nation can perpetuate itself by sheer political power. This is fatal. A nation perishes when political expediency, so-called political pragmatism, becomes its highest value.

For ultimately a people survives or becomes the power in a country as a result of the quality of spirit and the texture of its own being.

This is the kind of survival to which the Afrikaners should aim. He should reform himself, renew himself, produce a concept in which every human

being in South Africa, irrespective of race, colour, or creed, can emotionally identify.

And I think the longing for this kind of concept, the readiness for it, is now deeper and more widespread in South Africa, especially among the Afrikaners and the leaders of Afrikanerdom, than ever before.

I think if Mr Vorster said tomorrow apartheid is dead, we are going to have a new national convention, I am going to call all the people of South Africa together and ask them because we have no repeat no time to lose, so that we can jointly decide how to shape the future of the country, the response would be overwhelming.

I think of all this destruction, all this nihilism, which out of sheer despair is coming into South Africa—it is terrible to me to see how the people are going to live because there is no leader ready to express this potential for change.

Race and colour prejudice is gone. I think there is just this degradation of people in power to exploit these things to stay in power.

But the readiness of people of all races and colours to acknowledge an interdependence, humanity and dignity among one another is now greater than it has ever been.

And it just needs somebody to lead.

If this can happen, if we can be transformed into a people not of four-and-a-half million but one of 25 million which we could be, all we have to do is to stop talking and unite.

I would not mind talking on the world.

For we have the finest human material in South Africa—white, black, coloured, Indian—that you can possibly get.

I am always impressed by the quality of people in South Africa. I am always impressed by the quality of the human relationships among people in South Africa—if it had not been for this quality South Africa would have exploded long ago.

If we can carry forward what we practice already in our human relationships politically, we are out of the wood. We can defy the world. I know that the world applies to us a degree of succor that it applies to no other country in the world. I know the double standards. But we must not hide behind the fact that the world is wrong as an excuse. Once we create a just society, once Afrikanerdom truly stops this fragmentation of our society and starts on a greater act of reunion, then I have no fear of the world.

Laurens van der Post

Argus SA Newspapers Ltd, 1977.

HIGHER INTEREST RATES ON 7-DAYS NOTICE DEPOSITS

UDT's 'Average Rate' scheme offers a guaranteed 1/2% above the interest rate obtainable from local authorities for 7-days notice deposits.

The scheme applies to deposits of between £1,000 and £100,000. The rate is calculated independently each Monday morning. No investment charge is made.

Your funds earn a better rate of interest and are readily available to you. Interest is paid quarterly.

The automatic weekly review of the rate avoids the need continually to negotiate terms and the return on your deposit keeps pace with current interest rates.

For full details ask for our booklet or ring our dealing room on 01-626 5951, or any one of our 80 branches. You'll find the number in your directory.



UDT

United Dominions Trust Ltd, 51 Fenchurch Lane, London EC3P 3BU.

A fully authorised bank and Britain's leading independent finance house.

LEAPMAN IN AMERICA

The stale finger-end of a humid summer lingered for as unusually long time in New York this year. As late as the first week in November, daytime temperatures were up in the high sixties, under sultry skies.

Suddenly, last weekend, the season's remnants were blown away by some crisp, refreshing, cool Canadian air. The sun came out, casting a wintry glow on the grey skyscrapers. Signing with relief, we set off for the central heating and reached into the cupboards for our sweaters, heavy coats and fur hats. On the lower East Side, the cheap clothing stores filled their pavement bangles racks with thick, well-stuffed anoraks, and did brisk business.

This is the time of year when I realize how I could not bear to live for long in a place like California or the Caribbean, where winter never comes. The hot and sticky New York summers would be unbearable but for the knowledge that some time they would end.

To celebrate, we decided to wrap up warm and go for a country hike. This is not so popular a pastime here as in Britain, where the Automobile Association, London Transport and other organizations publish informative books of recommended routes for walkers.

Here, all I could find was the New York Walk Book, a bulky publication from whose pages I selected a likely-looking trek near Greenwood Lake, on the border of New York State and New Jersey, some 40 miles from New York City. We drove there, and, as soon as we

had located the start of the route, we could see that this was going to be a far more serious hike than those favoured by the AA for sedentary motorists.

The routes are well marked by local walking societies with blobs of coloured paint on trees or rocks. The one on which we embarked was a straight uphill, at times following a steep stream. A glance upwards showed that it would be uphill for most of the first mile. Our estimate of the time needed to complete the route had to be severely revised.

On the way we passed (or more often were passed by) a few other groups of hikers, sensibly dressed in stout boots, with rucksacks and pretty wool hats. It made our casual coats and town shoes look most unsuitable, but, often slipping on damp leaves, we soldiered on to the very top, where a stiff and cold breeze threatened to blow us over the side.

The view was magnificent. The lake is long and slender and on the other side are hills crammed with trees, which, without leaves, looked grey and wintry in the sharp sunshine. Although so near to the city, it is a beauty spot of which we had not previously heard, standing up well to comparison with Britain's Lake District or Snowdonia.

We had to revise our route when we reached the top. The circular trip which we had planned would have taken us beyond dusk and we had brought no food. So we retraced our steps, losing our footing still more downhill. The sense of adventure was enhanced by passing on the

way down two campers who had spent three nights in the hills, boiling water for coffee over a fire made from sticks.

We enjoyed a late and leisurely lunch at an Italian restaurant near the lake, one of the few places still open out of season. On the way home we bought quince loaves, apples, and red peppers from a farmers' market—a welcome alternative to packaged supermarket fruit. After reaching home we went for a relaxing swim in the heated pool. Thank heaven for winter.

American Express have invited me to join their scheme by which, in the event of an emergency, I can get travellers' cheques at a number of American airports simply by inserting my membership card into a machine. I do not in truth lead such an exciting or uncertain life that I am likely to find myself suddenly strapped for money in the airport lounge in Atlanta, but much of the American way of doing things is based on the precept that life is full of unexpected crises that need to be handled off, so I shall probably sign up.

The trouble is that, apart from my membership card, I need to memorize a secret number to punch out on the machine. This will be about my fifth secret number, and I fear that one day I shall get into a dreadful muddle.

Both my British and American banks have machines which will produce money if I insert my card and a number. The Avis car rental people have given me what they call a wizard number. I quote it



over the phone and they tell me my name—a handy service for people with poor memories. Then there is my phone number, my Social Security number, my National Health number, my apartment number, my zip (postal) code. . . .

My wife has a secret number which allows her to cash cheques at the local supermarket, but in her case it has to be accompanied by a code word of her choosing. (For security reasons, I cannot reveal the word, but it is gratifyingly patriotic.)

In ancient times, scholars spent much energy working on a magic formula which would turn dross to gold. The reason the quest was misguided was that, even if they had found it, gold would soon have ceased to have special value: it would have been worth no more than the dross from which it was created. There is a moral somewhere in all this.

Henry Kissinger's reputation has not increased since he stopped being Secretary of State. As often happens, reporters and commentators who wrote about him in such awe, with bated pens, in the heyday of his shuttle diplomacy, now feel that they were taken in. He has been compared by turning on him more viciously than he deserves—rather as British political correspondents did on Harold Wilson. He has been compared to a honeymoon period in the sixties.

Against the prevailing fashion, I still regard the good doctor quite highly, as having a more cogent vision of the right foreign policy for the United States than most of his predecessors. Having said that, I must add that my admiration does not extend to his efforts in the realms of satire.

Last week the *New York Times* Book Review printed a commentary by Dr Kissinger on a novel by two reporters which has as its central character a man who, in spite of physical differences, is patently modelled on him. The article was supposed to be funny, but the humour was so heavy that, were I allowed to be beastly to the Germans, I would describe it as Teutonic.

"The picture," he wrote, "of an arrogant, high-handed duplicitous Secretary, abusive to subordinates and obsessed with secrecy, to me strains credulity. No informed reader would believe that such a person could exist; it is just too much larger than life. Other traits of this central figure—brilliance,

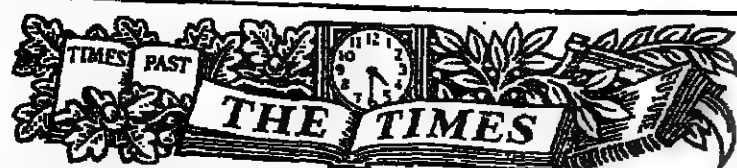
good looks, enormous charm, great sense of humour, diplomatic genius—are more plausible. Kissinger, Ho, Ho."

Laying it on more cleverly still, he effected to believe that the mode for the character was not himself but Mr Cyrus Vance, and he went on to berate the authors for disrespect to the present Secretary of State. "I have spoken often and, if not eloquently at least at length, in office and since leaving office, of the vital need for bipartisanship, national unity and public confidence in governments," Ho, Ho.

Dr Kissinger concluded: "Any two authors who have spent 33 days cooped up in a plane shuttling through the Middle East must be excused for any minor shortcomings, such as the incredible description of a Secretary of State who is fallible." Ho, Ho. Dr Kissinger promises to give up attempts at light writing, I promise I shall not try to become Secretary of State.

My former colleague Peter Jay has been keeping an uncharacteristic low profile since he became Ambassador to Washington, but I must say I was delighted to read last Monday his refusal to contribute to a symposium on Britain which was planned for 1979. Americans already go in for a great deal too much pontificating on the state of Britain, and they invariably get things terribly wrong. Why should we Americans be any more unduly influenced by a further orgy of familiar windy generalizations? Well played, Peter.

فكر احمد الاصل



New Printing House Square, London, WC1X 8EZ. Telephone: 01-837 1234

MR SADAT IN THE KNESSET

President Sadat yesterday answered those who questioned the sincerity of his trip to Jerusalem by a speech to the Knesset that was an impassioned plea for peace. There were no carefully worded hints, dangled for the comfort of his critical audience, about recognition of the Israeli state. He was full-hearted: "we welcome you with all sincerity to live amongst us. Nothing less of magnanimity. President Sadat realized, could so alter the atmosphere of the Arab-Israeli conflict. And even with this dramatic initiative yesterday's stimulant to hope has very little that is concrete to fasten on.

At the very least President Sadat seems to have retained the initiative that he won when his enterprise was first made known. And that in spite of the chorus of Arab opposition, in particular, and everywhere, even within the Egyptian Government. How could a single Arab voice in the enemy camp, as so many Arabs believe, be anything but a hypocritical and empty gesture, or, worse, a ploy to devise a separate peace? On this last point President Sadat was unhesitating in his denial. No such agreement with Egypt alone could bring the lasting peace that he had come to urge before the Israeli parliament. Of course hostile Arab emotions have had much else to be aroused by in a visit so amply covered by television. The sight of Egyptian and Israeli flags flying side by side, the measured gestures of inter-state protocol, an embrace from Anwar Sadat for Golda Meir—who could have believed it possible?

President Sadat's speech re-

stated the commonly agreed Arab terms for the evacuation of occupied territory. Without being precise about the PLO, President Sadat insisted upon the rights of the Palestinian people to their own state. This was the essence of the problem and no such state should be cause for Israel anxiety. In giving the Israelis such firm assurances about their own security and the recognition of their state—which of course was explicit in the whole of the Egyptian President's visit—it will be argued by his critics that he gave away the one concession Israel desperately needed, without getting anything in return. Evidently President Sadat believed that his gesture would be of no effect if such assurances were not warmly given and such phrases dear in the past to Arab spokesmen as "so-called Israel" were discarded. Even in reply, Mr. Begin could hardly grasp a fresh initiative of his own. If concessions are to be made they could not have been even hinted at in such an open forum. And it must be admitted that in standing by the often reiterated Arab terms President Sadat was making demands that Mr. Begin has hitherto firmly refused to meet. It was significant that his speech of reply made no reference to Palestinians, even in some oblique, circumlocutory phrase, an omission that will be seized on in Arab circles to show how empty President Sadat's gesture will prove to have been and how deep the gulf between the two sides will remain. Nevertheless, even if the Israeli Prime Minister did not match President

Sadat's warmth of open-handedness the occasion is bound to make itself felt among Israeli opinion. More than that could not have been expected.

In any case for President Sadat a far less important audience than the Israeli Knesset and Mr. Begin was the American Congress and President Carter. The same shake-up is needed there. President Sadat has found in President Carter's view of the Middle East problem a just understanding of the Arab position. What is lacking is President Carter's nerve to act against the inertia or hostility of Congress over Israel at a time when his domestic problems are no less hampered by the same delays and constrictions. The stimulant given to American opinion may be much more potent than the stirring of Israeli thinking that President Sadat's speech will have begun. No one in Washington could have asked for more assurance about Israel's security and status than President Sadat gave.

Yet fresh thinking in the United States or in Israel is not much to look to as an engine of change. President Sadat remains a singular spokesman of this new initiative. He may not have armed his Arab opposition. His gesture may not draw any prospect of concessions or even the attitude of mind that he has brought to his meeting with Mr. Begin. Like a rocket this flamboyant journey has sent gasps round the world but the black night could as quickly envelop it once again. How else can the momentum be maintained? That is the question that may be answered in the next few days.

MR MASON DOES THE ROUNDS AGAIN

In Northern Ireland it has proved easier in the past six years to destroy representative institutions than to create them. And so today the province has no tier of representative government between district councils and the House of Commons across the water. Another attempt to repair that deficiency is now to be made by Mr. Roy Mason in a round of separate discussions with Ulster's party leaders.

"Interim devolution" is the objective. That is understood to mean some kind of province-wide elected body more restricted in scope and power than either the defunct Stormont or what is being prepared for Scotland. There are various possibilities. The assembly might be confined to the role of debating the public affairs of the province and examining those with executive responsibility for a range of administrative functions. Or it might be given subordinate legislative powers, including the consideration at an early stage of measures coming before Westminster. Or it might be fashioned to fill the "Macrory gap", which arose from the reorganization of local government in Ulster when some of the more sensitive responsibilities of local government were transferred from councils to boards and the parliament at Stormont, which was shortly thereafter extinguished.

The advantages of putting together some workable provincial institution go beyond whatever improvement in the quality of administration it might make. It would give provincial politics a formal context once again. It might satisfy the condition for an investment drive in Ulster which President Carter and the influential congressmen and senators who have been prompting him have set. And it would restore the appearance of motion in the North of Ireland, the absence of which irks the new government in Dublin.

While Mr. Mason was preparing for the new round of discussions Mr. Lynch was letting it be known in Dublin that if they run into the sand he will be disposed to activate his party's policy of calling for a British declaration of intention to withdraw from Northern Ireland. On Mr. Lynch's lips the demand, yet to be delivered, is neither pre-emptory nor blunt nor precise. It is to the effect that the British Government should know the conclusion that it sees the long-term future of Ulster in terms of Irish unity, and that it is not prepared indefinitely to maintain financial subsidies of the present order and spill its soldiers' blood there. No date would be set and no abrupt change of policy made, but affairs would be conducted from then on not with the idea of cementing the union but of achieving an amicable divorce.

It is argued in Dublin that the convergence of living standards in the Republic and the United Kingdom (still some way to go, but a noticeable trend from the faster growth of the Irish economy over the past decade and more) and the similarity of interests within the EEC, do not find this particular method of sharing the burden to be either just or equitable. Nor, it appears, do other groups which have been discriminated against. They are claiming with justice that they are willing to accept fair treatment within the overall pattern of the Government which is acting totally irresponsibly by refusing to reconsider its arbitrary and haphazard wages policy into which it has stumbled over the past two years.

Thus it is illegitimate for the Government to argue that the issue of one private industry wages policy versus another is a matter of expediency. It is, rather, given the total limits on pay, whether we are to have fair and reasonable criteria, such as the recent strikers have proposed, or the chaotic results of expediency and scurrying which the Government are trying to enforce for the third year running. It is becoming clear that those who are outraged by the

Injustices of the Government pay policy

From Professor Sidney Pollard

Sir, There is one major false premise in the argument of the Government and those who have supported them in the current debate on the actions of firemen and others. That is, that it is only the Government which has a responsible attitude to wages, waiting for some of the money incomes to be kept down, whilst their opponents want an anarchic free for all. The facts are otherwise. It is quite possible to accept the Government's targets, which appear to be a 10 per cent rise in wage rates (or say, 7 per cent after tax) against an expected price rise of at least 12 per cent, or in other words, a further cut in living standards of 5 per cent, without accepting its methods of getting there. As it happens, all the groups in recent conflicts have accepted that precise position, those of course it need not always be so.

The Government's method has been to keep wages relatively exactly as they were when the axe fell, and then to use the axe heavily penalizing those who were about to receive important wage increases. Since then, the aim has been to lower most people's incomes, but with important exceptions, such as teachers and those on Social Security, who are among the lowest paid in our society, and retired civil servants, who include some of the highest paid, all of whom have been totally protected from any loss of position. Additionally, measures have discriminated in favour of the lower paid, in favour of those who live on fixed proportions of costs, like shopkeepers, estate agents and solicitors in the private sector, and even wages drift was possible, and in favour of those whose employers have made heavy investments, such as the NCB, and whose employees can therefore claim "productivity" increases. They have discriminated against those who do not fall into these capriciously fortunate categories.

As a university professor, who has been discriminated against by every one of these arbitrary choices, and who in common with other professors has lost nearly 40 per cent of the income of only three years ago—a loss unprecedented for a similar group in the history of the civilized world this century, in time of peace and without an enemy army occupation—I, for one, do not find this particular method of sharing the burden to be either just or equitable. Nor, it appears, do other groups which have been discriminated against. They are claiming with justice that they are willing to accept fair treatment within the overall pattern of the Government which is acting totally irresponsibly by refusing to reconsider its arbitrary and haphazard wages policy into which it has stumbled over the past two years.

Thus it is illegitimate for the Government to argue that the issue of one private industry wages policy versus another is a matter of expediency. It is, rather, given the total limits on pay, whether we are to have fair and reasonable criteria, such as the recent strikers have proposed, or the chaotic results of expediency and scurrying which the Government are trying to enforce for the third year running. It is becoming clear that those who are outraged by the

Devising a fair EEC fisheries regime

From Lord Boothby

Sir, As one who has been actively concerned with the British Fishing Industry for almost half a century, may I say that I find myself in total disagreement with Mrs. Elizabeth Young in her letter today (November 17). She admits that national quotas have proved to be unworkable. She goes on to suggest a "Community" fishing regime, based on a Total Allowable Catch decided on "exclusively scientific grounds", and a "management tool" consisting of a complicated licensing system which would have regard to communities particularly dependent on fishing, and legitimate historic rights. Who is to decide all this? And how? She then advocates methods of fishing that are (1) labour intensive, and (2) energy and intensive. The phrases are meaningless.

During my lifetime I have watched what was once a great industry, the herring fishing industry, being destroyed by ruthless overfishing, and by the introduction of purse seines, particularly on the part of the Danes. When I first entered Parliament, in 1924, we were exporting over a million barrels of cured herring a year to Russia, Germany and the Baltic States. Today we cannot even meet our own requirements. I do not want to see a similar fate fall on the whole of our fishing industry. Nor do the British people.

The truth is that, having fished out their own grounds, the continental countries of Europe are now

Refurbishing the SS image

From Mr. T. C. F. Prittie

Sir, Professor Willy Frischauer (letter, November 15) has done a very valuable service in pointing out the many criminal activities and activities of the Waffen SS. There is, however, another side to the matter.

A great many members of the Waffen SS committed no crime whatever, and were used simply as shock troops during Hitler's War. Thus in the last years of the war, 18 and 19 year olds were being drafted into the Waffen SS from other formations in the German Army. From then on, they were engaged in "normal" military service, fighting the enemy.

In 1946, when I was *Manchester Guardian* correspondent in Germany, I visited one of the principal camps in which members of the Waffen SS were being held. I was begged by senior members of the SS to talk to the young men there and hear their stories. I spoke with a number of them and was entirely convinced that they had never committed criminal activities of any kind.

In 1947 I had much to do with a young German journalist on the staff of the *Die Welt*, who had been an anti-Nazi and who gave some help to the Allied authorities in tracking down German war criminals. This journalist had been decorated for deserting four enemy tanks single handed in 1944. The United States Intelligence learnt that his name was on a list of men "wanted" by the Waffen SS for service with them—simply because of his courage on the field of battle. The list had not been forwarded to his unit before the war came to an end. For that reason alone he had not been referred to the Waffen SS.

Because of the criminal activities of some of its formations, the Waffen SS was very rightly proscribed as a criminal organization. But it needs to be remembered that a great many of its members fought cleanly and honourably.

Yours faithfully,
TERENCE C. F. PRITTIE,
Brimley and Israel,
11 Rodmarton Street, W1,
November 18.

trying to use the EEC to come over and do the same thing to ours. There is only one answer to this—an exclusive 50 mile limit around our coast. Otherwise the British fishing industry cannot hope to survive. Mrs. Young describes this remedy as "simplistic". That seems to me to be its supreme merit.

Never in my whole political life have I seen public opinion so unanimous. The Labour Party, the Conservative Party at their annual conference, the Liberal Party and the SNP all support it. And in both Houses of Parliament there is an overwhelming majority in favour of it. Mr. Sillkin even hinted the other day that in certain areas it may be necessary to go beyond the 50 mile limit, within the 200. And the recent decision of the Government to lay down two more fishery protection ships, for which I have been pressing for the past two years, is a clear indication that they mean business. If it contravenes the Treaty of Rome, then the Treaty must be amended. Our partners in the EEC would rather do that than see us leave the Community altogether.

Mrs. Young concludes her letter by saying that we cannot seriously hope to obtain a 50 nautical mile belt. My answer to that is that not only the fishermen but the nation demand it; not that they will get it. Your obedient servant,
BOOTHBY,
House of Lords,
November 17.

Marxism in education

From Dr. R. N. M. Hallam

Sir, Ian Bradley, in his article (*The Times*, November 15) concerning the serious interest which the British academic world is now taking in Marxist thought (a phenomenon which he treats in a regrettably sensational manner), makes reference to the Polytechnic of North London. In particular he says that the "situation" there is "well known through reports in the press".

It is a sad reflection on Mr. Bradley's profession that, press reports on the Polytechnic though there have frequently been, the "situation" is not at all well known. This is fundamentally because the press, including *The Times*, has allowed itself to become the vehicle of the views of a small group of colleagues and former colleagues of mine who have devoted immense effort over a period of years to propagating a highly tendentious account of life at the Polytechnic. This fact is very much in evidence in Mr. Bradley's article.

In my view, on the contrary, there is nothing abnormal in the academic life certainly of the Sociology Department, where I have taught for some years: one might mention that the acceptability of our graduates to read for higher degrees in universities and other institutions has been most encouraging.

My purpose is not, however, to attempt in one brief letter to refute allegations to the dissemination of

which so much energy has far so long been applied. It is merely to point out that it is cheap sport for journalists to report the loud voices and that a more realistic, if less familiar, account of the Polytechnic might be obtained were a serious attempt made to ascertain and assess the facts and make a representative sample of those who work within it.

Yours sincerely,
R. N. M. HALLAM,
Senior Lecturer,
Department of Sociology,
The Polytechnic of North London,
Ladbroke Grove, N.W.2,
Highbury Grove, N5,
November 16.

From Mr. Grenville Wall
Sir, Even if it were true (which it isn't) that there is a sociology department of 65 at the Middlesex Polytechnic busily and successfully indoctrinating students with Marxism, Ian Bradley should have been asked to find more concrete evidence of the alleged fact than a quotation from an advertisement and the opinion of T. G. Miller—who, after all, works at another place.

Yours sincerely,
GRENVILLE WALL,
Senior Lecturer in Philosophy,
Middlesex Polytechnic,
Queensway,
Enfield,
Middlesex,
November 15.

Dangers of devolution

From Mr. Adam Ferguson

Sir, A week ago you commented on the Scotland and Wales Bills in the words: "On their merits the Bills deserve to be carried." Yesterday, the Scottish proposals, you declared baldly: "The situation would be worse than it is now. The house went on to say, would be between 'the legislative omniscience of Parliament' (not exactly how I should have turned the phrase) and federalism."

Do you really know what you are saying? Or have we just witnessed, too late to stay the guillotine, too late probably to influence the issue this side of a referendum, the scales falling from your eyes at last. It is a far cry from the days, less than a year ago, when your columns were suggesting that the presence in Parliament of dozens of dozens of Scottish, Irish and Welsh MPs, underprivileged in respect of their own electorates, and monstrously overprivileged in respect of the English, would come to be regarded as just one of those constitutional quirks which have made us what we are.

The remorseless logic of legislative devolution rolls on. So now you speak of federations. But the Government does not love them—Mr. Timothy Raison points that out in his letter today (November 17). England does not love them. Nor is there any sign that Scotland is

David Wood

EEC: in or out is still the question

After Scottish and Welsh devolution Bills, the Bill for direct elections to the European Parliament. On Thursday the third constitutional Bill of the session will comfortably carry in the Commons, as it did at the first time of asking on July 7, in the route to the approval of 410 votes for, and 150 against. But once again ministers and Labour rank and file will be deeply split. No wonder politicians of the Eight weep and wail as they ask whether the only example of the admitted Parliament at Westminster can set is of insularity or perfidy.

Yet last week in Strasbourg leaders of non-British groups seemed to me to strain logic when they bickered against Westminster's delays in bringing the United Kingdom into line for direct elections in May-June next year, as promised by Mr. Callaghan.

It is not only that no parliamentary bicameralism or chamber yet exists in Strasbourg, Luxembourg, or Brussels but by early summer next year could accommodate a European Parliament more than doubled to the strength of 410 directly elected MPs, all with their own seats and microphones.

It is also that it makes no sense to argue that the European Parliament cannot have power over the Council of Ministers until it has a democratically representative chamber, and then to complain that the United Kingdom Government cannot immediately commit the democratically representative chamber at Westminster. Parliamentary democracy more often than not, it works at all means delays and compromises between executive and chamber. Westminster has a right to look at a fundamental constitutional Bill like that on direct elections.

Nevertheless, leaders of the non-British European groups have a valid grievance. They find in the recent history reasons for distrusting authoritarian regimes and they have relevant since the war the crucial importance of representative chambers with power to bring pressure, checks and balances on those ministers to heel or to block and challenge their dictates. That was one of the launching pads for Europeanism. Why, then, does Westminster alone in the Nine obstruct early direct elections? Only one answer springs to mind. The ruling United Kingdom party continues lukewarm about Europeanism, and is in the EEC only for purposes of self-interest.

When the Commons vote on the direct elections Bill this week, it ought to be a question of *Realpolitik*. If the United Kingdom is staying in the Community so far as the human eye can see, then the vote ought to be in favour. If the United Kingdom seriously reserves its position about membership, then the vote could be against. We return to the old political argument about in or outside the EEC, which every body assumed to have been settled by the 1975 referendum. It is *Realpolitik* because decisions are already being taken by the Council of Ministers and the Commission that affect and will increasingly affect the United Kingdom, and there is no effectual democratic control yet over either. Only a directly elected European Parliament could hope to bring the Commission and Council to account in a full democratic sense.

In an evolving way the nominated European Parliament partly does exist. Directly elected MPs will have the same responsibilities to constituents, differing more and more from the responsibilities of Westminster MPs to their constituents, and the control of national parties over European MPs will be weakened. There is no point in Europeanists denying that. But that shift of power inheres anyway in membership of the EEC, and the crucial question is whether the EEC should be run by an authoritarian power (the Council of Ministers), a bureaucratic power (the Commission), or a democratic power (the European Parliament). Nine hundred years of Westminster evolution suggest the obligatory answer.

Westminster. The improvement since January 1973, when the Conservative delegation first appeared in Strasbourg, has been marked. So marked that Mr. Roy Jenkins, on becoming Commission President, said that his commissioners would treat the Parliament as though it were already directly elected. He has already kept his word. Except for Tuesday of last week, there were always more of the 13 Commissioners attending the Parliament than MPs from the Commons, who had been kept back at Westminster to vote on the domestic EEC devolution Bills. United Kingdom parties and MPs had put domestic representation at Strasbourg almost wholly to peers.

The Belgian President of the Council of Ministers, the one obviously unwell, also spent a full day at the European Parliament answering questions and replying to debates, including a foreign affairs debate that was neither better nor worse than any foreign affairs in the Commons. It had slightly more substance, simply because the Third World and the Communist world already have more to gain from relations with the EEC than with any single member of the Nine. As the influence of the EEC grows, the checks and balances of the European Parliament will need to grow with it, and they will whether the Parliament is nominated or directly elected.

Yet a directly elected European Parliament does certainly mean delegating, from Westminster, powers. Directly elected MPs will have the same responsibilities to constituents, differing more and more from the responsibilities of Westminster MPs to their constituents, and the control of national parties over European MPs will be weakened. There is no point in Europeanists denying that. But that shift of power inheres anyway in membership of the EEC, and the crucial question is whether the EEC should be run by an authoritarian power (the Council of Ministers), a bureaucratic power (the Commission), or a democratic power (the European Parliament). Nine hundred years of Westminster evolution suggest the obligatory answer.

Part-time Concorde

From Mr. M. C. Pearson

Sir, November 22 sees the inauguration of Concorde's (London-New York) service. No doubt there will be national rejoicings and self-congratulation. Far from exploiting this unique opportunity to the full, however, British Airways are giving the travelling public only two services a week until early in the New Year. The reason, according to the Under-Secretary of Trade in reply to a parliamentary question, lies in "difficulties at the commencement of the training programme".

After the many long months of frustration attending the anti-Concorde campaign, one is astounded and disappointed that British Airways are not even now in a position

to offer the travelling public on both sides of the Atlantic the service they have so eagerly awaited. In private industry heads would surely roll.

By contrast, the French, who throughout the Concorde saga seem to have shown greater self-confidence and determination, are offering a daily service from Paris to New York right away.

Let us, therefore, amid the rejoicings, extend a generous and well-deserved tribute to our French co-laborers in the air, who somehow manage to keep their feet so firmly on the ground.

Yours very truly,
NORMAN PEARSON,
61 Albert Hall Mansions, SW7,
November 10.

Wexford recordings

From Mr. P. H. St. Croix Kehyajan

Sir, I share Bernard Levin's bubbling enthusiasm for Massenet's *Hérodiade* (November 12). But apparently there is no record or tape of this opera commercially available.

Could the BBC be persuaded (by Mr. Levin?) to market their recording of *Hérodiade* in order to allow part of the proceeds to go towards the cost of the next festival?

If other recordings from previous festive performances were also made available, a series (or boxed set) of Wexford Festival records could be offered.

Would Mr. Levin drink to that?

Yours faithfully,
P. H. ST. CROIX KEHYAJAN,
43 Madock Court,
Kensington Park Road, W11,
November 19.

BBC wavelength changes

From Mr. C. R. W. Petty

Sir, I had a sneaking suspicion that I would not be allowed to get away with it. Last year I bought a Japanese car which comes complete with radio. The radio receives only medium wave, and I am thus to be deprived of Radio 4.

A roundabout way of reducing the number of Japanese cars imported into this country?

I suppose I deserved to be punished. Yours faithfully,
CHRISTOPHER R. W. PETTY,
7 Backfence Close,
Poynton,
Stockport,
Cheshire,
November 18.

Times Profile

The man who would be king

"When you are head of state you will be able to do some of the things which I have been unable to do," General Franco once told his successor, Juan Carlos, who tomorrow celebrates his second anniversary as King of Spain. It was the only remark, rich in irony, which the dictator ever made to his designated successor about his conception of the king's role after his own death. Few people dispute that what the 39-year-old King has achieved in the past two years has been remarkable—one of the most successful transitions from dictatorship to democracy of all time, though still to be consolidated.

The Spain of Juan Carlos is

unrecognizable as the country General Franco left behind. There are now political parties, trade unions, a democratic Cortes (Parliament) and statutes of autonomy in progress—all the "enemies" of the dictator.

The King has always wondered whether General Franco's remark was a hint that the dictator realized change was inevitable, or may be that he suspected that Juan Carlos—"The Child" as he was then known—was not as simple as he appeared. If the old generalissimo had been a fly on the wall of the King's elegant study during the long and frank conversation I had with Juan Carlos this month, he would have marvelled, undoubtedly shuddered, at the astuteness and political intelligence of his successor. But then who better to teach the art of survival than Franco?

Was this the same man who was nicknamed "Juan Carlos the Brief" and whom many Spaniards assumed would be a puppet king to maintain the regime? I kept asking myself during our meeting. Then I remembered a joke about the king which he himself appreciates, with a keen sense of humour reminding one of his uncle, the Duke of Edinburgh, whom he greatly admires. The joke was: "Why was Juan Carlos crowned in a submarine?—Because deep down he is not stupid. Nothing could be more true."

The King's modest Zarzuela Palace is several miles outside Madrid, in wooded parkland. There is one checkpoint as you enter the grounds and another

just before you reach the palace, which is quite near the dictator's old residence.

Juan Carlos Victor Maria de Borbón y Borbón was born in Rome on Twelfth Night 1938, in the middle of the Spanish Civil War. The royal family had by then been seven years in exile. Don Juan, the Count of Barcelona, the King's father, had tried to enlist General Franco's aid in July 1936. He secretly crossed the Pyrenees and arrived at an hotel under the name of Juan Lopez. General Mola, who controlled the north for General Franco, soon got wind of his presence and politely but firmly put him back into France.

General Franco later justified the action by saying: "If a king is again to be head of state he should appear as a peacemaker and not come from the camp of the victors." Seen in the light of today, it was an ironic defence, for General Franco's idea behind later grooming Juan Carlos to succeed him was to maintain the regime born out of his civil war victory.

Alfonso XIII abdicated in favour of Don Juan in 1941, two years after the end of the civil war and six weeks before he died. Don Juan and family moved to Switzerland then to Estoril, Portugal, where he still lives. The rift between Don Juan, who considered that he should be king of Spain, and Franco soon became apparent with a declaration by Don Juan in 1945 calling for the dictator to "recognize the failure of the totalitarian conception of the state" and to restore the monarchy.

General Franco ignored the call and snubbed Don Juan in the 1947 referendum when Spain was declared a "Catholic, social and representative monarchy" with him as the lifetime uncrowned monarch. The dictator had the right to name his successor as king or regent.

Don Juan was furious and denounced the referendum. The following year, on August 25, he met the dictator on board his yacht *Azor* off San Sebastian and agreed to send his son Juan Carlos to Spain to be educated. General Franco did not want to alienate the monarchists, upon whom to a small extent he relied for support in his policy of divide and rule, and Don Juan wanted to leave the door open so that one day the monarchy might return under him or his son. "I was conscious that he would lose contact with reality unless he lived in Spain," Don Juan told me.

Juan Carlos was only 10 when his father and mother put him on the train at Lisbon for Madrid. Don Juan, with tears in his eyes, turned to his wife and told her: "We are losing a son..." It was the beginning of "Operation Juan Carlos" which later led to Don Juan renouncing his son for accepting the nomination from General Franco and which put both father and son in painful and ambiguous positions. Both are now reconciled and emphasize the strong bond between them.

Juan Carlos arrived in the hungry dark night of the dictatorship when Spain was shunned by the rest of the

world and was in the aftermath of a fierce repression. He was a melancholic and sulking child, separated for long periods at a time from his father and drawn into the cold bosom of General Franco, who never had a son. Juan Carlos was an impressionable and sensitive child. A member of his father's privy council in Lisbon remembers how a Swiss nurse once gave Juan Carlos 2.50 escudos to give to a beggar who appeared in the garden. "It seems little to me," said Juan Carlos. "I must give him more... I have the obligation to give him more."

The young prince came with his younger brother, Alfonso, and was assigned a formidable team of private tutors appointed by Don Juan, although there were one or two which General Franco later insisted on approving or naming himself, like Sr Torcuato Fernandez Miranda, a law professor, who later played a vital role in the transition. It was a rigorous schedule: up at 7 am, Mass before breakfast, studies and gymnastics until 1 pm and in the afternoon riding and shooting. Juan Carlos did not see his first film until he was 17. In his library were books like the complete works of Jose Antonio Primo de Rivera, founder of the Falange and hero of the Franco regime, shot during the civil war. The prince's examination results were read out on Radio Nacional. One private report read: "Fries hard, but no real academic flair."

After a second interview between Don Juan and the dictator, Juan Carlos started his military education, passing through the academies of all



three services. Some of Don Juan's supporters feared that Juan Carlos would be "taken in" by the regime. Don Juan warned his son about this. During a visit to Estoril when he was about 16, another member of Don Juan's privy council, now a member of the Cortes, remembers how Juan Carlos told him: "I know you are a friend of my father's and I just want you to realize that I shall always be loyal to him." The pressures were already beginning to show.

In 1954 the prince was invited by Pablo and Federica of Greece to join them on a cruise. There he met his future wife

Sofia, the daughter of the Greek royal couple. Juan Carlos gave her Spanish lessons, for speaking five languages. He met her again in Rome in 1959 where his future brother-in-law, Constantine of Greece, won a gold medal in the Olympics for yachting, and in 1962 they were married.

Juan Carlos was now studying law, political science and economics. He has an inquisitive, inquiring mind, and during this time would ask his tutors what he could read and from where he could take advice to help him for the future. Sr Fernandez Miranda told him once that he could give him no "crutches" and that he would have to think for himself. It was advice which stayed with the King.

In 1968, when he was 30, he became eligible under the terms of the organic statute law to be appointed successor. Don Juan wrote to his son to warn him of the dangers of accepting the nomination and of the dynastic problems this could create. By this time Juan Carlos had spent 20 years in Spain and according to one person who knew him the regime had convinced him that democracy was decadent. Juan Carlos felt from early on that the only way he would survive after Franco would be to become a constitutional monarch but he realized his limits and never said during the dictatorship more than he thought would be wise. He was highly conscious of not overstepping the mark, particularly with the reactionary military, and creating problems for the future.

Juan Carlos always showed the dictator respect and loyalty and would report back to him things which his supporters were saying in his name but which Juan Carlos knew he had not said. General Franco always politely thanked him for what he told him. However, the two of them never had a close relationship and after Juan Carlos was named his successor they did not see much of each other, except at hunts and official occasions.

On July 22, 1969, Juan Carlos accepted the nomination, feeling that he had to do so to save the monarchy. He was aware that to have turned it down would probably have meant losing the crown not only for himself but also for his father. More than that, there was a danger real at this time according to well placed sources, that the dictator might have named Juan Carlos's cousin, Alfonso, as his successor. Alfonso's father, Don Jaime, bore deep and dumb resentment to the Spanish throne in favour of his younger brother, Don Juan. Alfonso married the dictator's granddaughter Carmen and was given the title of the Duke of Cadiz.

One person who went to parties given by the Duke of Cadiz after Juan Carlos's nomination remembers prominently displayed pictures of Alfonso XIII with inscriptions to the Duke: "To my favourite grandson."

Juan Carlos accepted the nomination in the only terms which he could by swearing allegiance to the regime and to its political legitimacy which rose from July 18, 1936, the date of General Franco's military uprising.

Don Juan denounced his son's appointment and for a time his relations with his son reached a low point. His wife, Dona Maria, acted as an intermediary between father and son. Juan Carlos "suffered" a lot during the last six years of the dictatorship. He was so affected by the nomination and edged on to "confront" his father to show that thinking about it would make him cry. There was never any chance of General Franco naming Don Juan to succeed him, for the differences between the two of them were too great and Don Juan's liberal views and opposition contacts too well known.

From his nomination until the dictator's death, Juan Carlos had to move carefully. His father's telephone in Estoril was tapped, and probably his own was too. People who saw the prince during this time came away impressed by his understanding of the situation.

The recently published diary of Sr Jose Maria Arellano, the King's Foreign Minister in his first government, relates how Sr Carlos Arias, the Prime Minister of that government, had in his possession according to another minister, "Tapes of conversations when the monarch was prince. It seems that they contain commentaries and tremendous judgments. It would be a dynastic Watergate." The King has demanded to know if there were any tapes but has never been given any.

Don Juan continued to denounce the dictator from Portugal, and there was a tense moment when he fired off an attack in the presence of Juan Carlos. Madrid's response was the prince expressing by proxy through his father's voice feelings which he had to suppress. Five months before General Franco died, Don Juan was banned from setting foot in Spain for a brief time after he said that his son's nomination was "logically no use at all in bringing democratic change."

Throughout the last six years of the regime Juan Carlos was very much in the shadows, but he took every opportunity to show that he had a mind of his own without overplaying himself. Once when attending a reception his aides told him that a group of Carlists, who support a rival claimant to the throne, were outside and wanted to kick his car in. When they advised him to leave by the back entrance he answered: "You can but I am leaving by the same door that I came in." And he did.

When General Franco died

leaving his system "well tied up" there were many who thought Juan Carlos would be a prisoner of the situation.

In fact the King asserted his authority right from Franco's death, but subtly; behind the scenes, acutely aware that to break too quickly with the past might prevent a calm and clear go too slowly towards change might unleash the pent-up frustration of the democratic forces. He sweated over his inaugural speech to the rubber-stamp Cortes. No mention of July 18, a clear reference to the father and to a "new stage." One of his household at the speech remembers: "It was almost frightening to see the cold way the Cortes reacted."

Juan Carlos bore in mind the mistakes of his brother-in-law, ex-King Constantine of Greece. He was convinced that to survive he must become a constitutional monarch, but the problem was how. When the post of President of the Cortes and of the Council of the Realm, bastion of Francoism and the country's highest advisory body, became vacant a week after the dictator's death, the King personally appointed, against the wishes of the right, Sr Fernandez Miranda to the job.

It was a smart move for, although no liberal, Sr Fernandez Miranda was very loyal to the King and told him that he must become constitutional. Rather than accept the formal resignation of Sr Arias, the dictator's last Prime Minister, and so run the risk of the Council of the Realm recommending someone even more Francoist—and more seriously for the King someone whom the ruling clique could manipulate more easily—the King asked him to stay on.

The King perfectly understands the highly conservative military. As one of his ministers in his first government told me: "He always keeps an eye on the armed forces to see how they will react to decisions but this does not mean that he consults them."

"You too have had to wait," the King told Sr Suarez after he was appointed Foreign Minister. It was the release of so much frustration which built up again when it soon became clear to the King—who maintained during the first months after the dictator close telephone contact with Sr Kissinger, Herr Walter Scheel, President Giscard d'Estaing and Don Juan—that Sr Arias was a disaster and would have to go. He always keeps an eye on the King, and he wondered if he would ever see light at the end of the tunnel.

In July, 1976, he took the decision and asked Sr Arias to resign, and then to everyone's amusement appointed Sr Adolfo Suarez. It had all been carefully planned. Sr Suarez was chosen as the man to dismantle the system from within. Almost everyone criticized the King, but he has been proved right. "A king is as wise as the ministers he chooses," a close friend of Don Juan told me.

The King spotted Sr Suarez, who is a few years older than he is, when he was a civil governor. He really got to know him when he was head of television and tried to promote the image of Juan Carlos.

Juan Carlos had by now plucked up enough courage to accept the responsibility of bringing democracy. Those opposed to it would have to "swallow" it. He told Sr Suarez right from the start that one of the many problems would be the legalization of the Communist Party, which was not done until last April. The Communists were leaving the palace knowing that unless they were legalized they would call demonstrations, and the palace was letting them know that if the King were pushed into anything he might find himself a prisoner in his own palace surrounded by tanks. April was a sticky month for him.

Ten days before the first electoral campaign in 41 years, Don Juan abdicated so that there would be no problem in the new democratic Cortes with the drafting of the new constitution as to who was king.

Juan Carlos exudes a strong feeling of having his feet firmly on the ground—he stamped them several times for me as if to demonstrate the point. Spaniards do not want a play-boy king and neither do they want a monarch who is too involved in politics. Juan Carlos wants to be as he has been in speeches, the king of all Spaniards.

He wants to retain just sufficient powers so that Spaniards still feel his presence as being above party politics and being at heart the interests of the country as a whole.

A measure of his considerable success is that Spain's Euro-communist leader, Sr Santiago Carillo, is now numbered among the King's fans. He said dramatically, but with some truth, that without the King, "the shooting would already have begun."

Shortly after I left the palace after our one and a half hour conversation, during which the King briefly told me from overwork, had to tie a few wavys—a blue Mercedes and next me followed by a black Dodge. The King was driving and he bled his horn as he passed it. It was a trivial gesture of a remarkable man who is here to stay.

William Chislett

© Times Newspapers Ltd. 1977

ESCAROT BY VENU RESTAURANT
We stock a wide range of Alsace wines from 7 varieties of grapes.
48 Greek Street Soho, London, W.1
Tel: 437 4460.

In the Loire the sense of humour is like the wine, mainly dry or medium dry.



"My wine is not art to be kept."

The Loire Valley has been called the 'happy, smiling part of France'. During our stay this overall appraisal was confirmed again and again.

However, within this historic region, which is famous for its great Châteaux, there are noticeable differences in both the people and the wine.

In Muscadet, the Atlantic climate produces a light, dry, almost salty white wine, perfect with seafood. Here the humour is medium dry.

However in Anjou the wines are generally slightly sweeter and mainly rosé, with some white; but the wit is definitely dry.

"Light, carefree and refreshing"



Nevertheless, Loire wines have a very distinct family likeness.

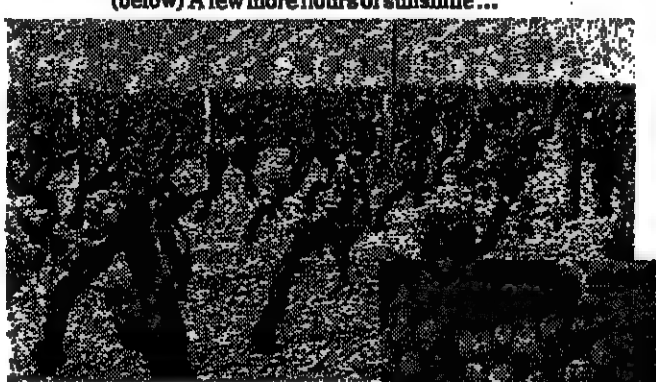
They are not at all pretentious, but made to be drunk young, while they are at their most refreshing. The nicest description given to us was "cascadeur", which literally means 'like a waterfall'; in other words, light, carefree and refreshing.

In both Muscadet and Anjou there is an air of reverence at the door of every cellar. It's a bit like going into a church. Especially as some of the cellars even have stained glass windows. Inside, the beams and barrels are often decoratively carved and the walls covered with plaques and inscriptions. Although these are not always so reverent.

In one cellar we were greeted with the wine grower's prayer: Oh God, give me life for a long time, work not too often, love from time to time, but Muscadet for ever.

days in the Loire we held many memories and had tasted many delicious wines. White, rosé and even a few red.

Very old vines, probably 40-50 years old. (below) A few more hours of sunshine...

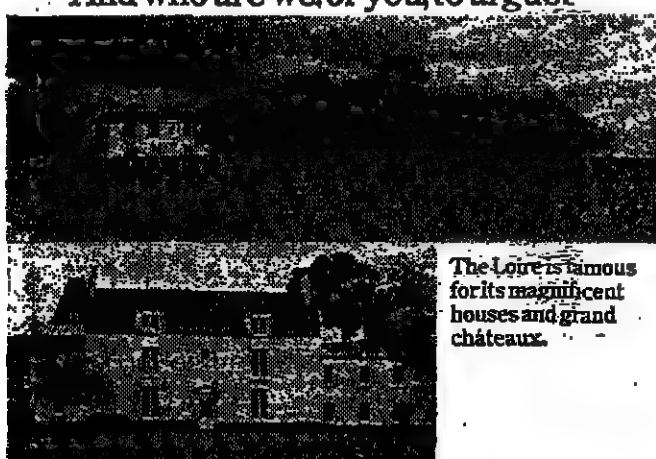


But the real spirit of the region was summed up by a charming grower who insisted on taking his cap off to be photographed, even though he was completely bald.

He said "My wine is not art to be kept"

In other words, get on and drink it, and enjoy it.

And who are we, or you, to argue?



The Loire is famous for its magnificent houses and grand châteaux.



On every bottle of Loire wine you will see the words 'Appellation Contrôlée' which is France's highest designation of fine wines. If you'd like a free colour leaflet on Appellation Contrôlée wines, please write to Food from France, 14 Berkeley Street, London W1X 5AD.

Not to be outdone, in Anjou we came across the legend: If drinking was a sin, God wouldn't have made Anjou wine so good.

But perhaps our favourite story from the Loire came as we sipped wine in the cellar of a small grower called Monsieur Guillet. In response to the question, "Do you think your wine has any real health-giving properties?" he shrugged his shoulders in the way only a Frenchman can, and pointed to an inscription on the wall: 'You see more old drunkards than old doctors,' it said. After just three

insafone
Let insafone answer your phone
From £1.25 per week
- Upper Brook St. London W1V 2PL
01-629 9232

THE TIMES BUSINESS NEWS

Oldham
for industrial
development
Phone Shaw 44411
Oldham

Government may seek leeway on domestic credit in IMF talks

By John Whitmore
Financial Correspondent

Discussions between the Treasury and visiting officials from the International Monetary Fund on the next stage for the British economy start today. They are expected to last throughout this week and to continue into the next week. The talks will be taking place in a very different atmosphere from those almost a year ago against the background of a major economic crisis.

In the intervening period the balance of payments has improved, the major concern of the IMF has been turned round far more rapidly than originally forecast. Britain's external position has improved to the extent that the size of its foreign currency reserves (at least in gross terms, before allowing for debt repayments due overseas) have grown so strongly that the Government no longer requires to draw down additional financing made available by the IMF.

While loans that have already been drawn down remain outstanding, however, the IMF will remain interested in the future course of the British economy and in the Government's policy for dealing with the balance of payments.

After examining the main Treasury forecasts for next year, a major part of this week's discussion will centre on the Government's targets for the public sector borrowing requirement, domestic credit expansion and the money supply.

Last December's Letter of Intent from the Government to the IMF provided a domestic credit expansion target of up to £8,600m for the financial year 1978-79 and a ceiling for domestic credit expansion of £8,000m.

While it is thought that the Government remains reasonably

ably happy with the PSBR limit, it does appear that it would like to see some increase in the permitted level of DCE.

Because of the huge sales of public sector debt to neutralise the effects of its exchange rate policy in the first 10 months of this year, the Government looks set to undershoot the current year's DCE ceiling of £7,700m by a substantial margin.

However, now that overseas inflows are being checked off and the balance of payments surplus reduced by the recent decision to allow sterling to appreciate, and given the expectation of accelerated recovery in the domestic economy, the Government feels that it may require rather more leeway with DCE.

It is thought that the Treasury would like to see the ceiling raised to around £7,000m. This, it is felt, would afford a reasonable degree of headroom given the uncertainties next year as to just how the external position will, in fact, develop.

What is not known at this stage is the precise size of expansion the Treasury is looking for in sterling M3, the broad-based definition of money supply. All that is clear so far is that the Government is planning to move from forecasting a target range for growth over a full 12 months—such as it is using in the current year—to a system of rolling targets set at more frequent intervals.

These will be aimed at affording the authorities rather greater flexibility in managing the money supply as financial and economic circumstances alter and not in affording them greater leeway to take a more lax view of the importance of monetary control.

OECD officials confer on slowdown threat

By David Blake

Top officials of the World Industrial Nations met in Paris today to discuss forecasts of sharply rising unemployment in Europe and the threat of a general economic slowdown in the second half of 1978. The officials represent the economic policy committee of the 24-nation Organization for Economic Cooperation and Development.

The OECD predicts that by the second half of 1978 growth in Europe will have fallen to around 1.5 per cent. This compares with an estimated five per cent growth in the second half of 1977. It also looks unlikely that the United States can succeed in lifting down unemployment at next year unless the Carter Administration takes further stimulatory action.

The OECD predicts that by the second half of 1978 growth in Europe will have fallen to around 1.5 per cent. This compares with an estimated five per cent growth in the second half of 1977. It also looks unlikely that the United States can succeed in lifting down unemployment at next year unless the Carter Administration takes further stimulatory action.

The prospect of even higher unemployment next year from the current 16 million in production is a major concern among many of the member countries and grave concern to the OECD forecasters.

Doubts about the accuracy of the predictions were aired last week at a meeting of forecasters from OECD countries. The Americans, in particular, said that the OECD estimates were too gloomy. However, national governments have been claiming that OECD estimates are too pessimistic for well over two years now, a period during which the forecasts have usually tended to underestimate the risks of recession.

The picture is particularly bleak for the world trade, which is expected to expand by only around 4 per cent next year, with very little growth indeed in trade between OECD member countries. What little growth there will be comes from higher OECD exports to non-OECD developing countries. Total exports are expected to grow by 5.1 to 6 per cent, rather more than imports.

The OECD deficit is expected to decline from around \$30,000m (about £16,500m) this year to around \$25,000m in 1978.

This improvement is forecast as developing countries are expected to run down their reserves during 1978. These reserves are at present being boosted by heavy borrowing in international capital markets, which OECD forecasters now expect to be at a much higher level than seemed likely.

OECD exports to the developing world cannot continue indefinitely, however, and there will have to be a stronger pick-up in demand within the industrial world if a full-scale recession in 1979 is to be avoided.

Overall OECD growth of 3 per cent in the second half of 1978 will not be enough to provide any spur to investment.

The prospect of even higher unemployment next year from the current 16 million in production is a major concern among many of the member countries and grave concern to the OECD forecasters.

Doubts about the accuracy of the predictions were aired last week at a meeting of forecasters from OECD countries. The Americans, in particular, said that the OECD estimates were too gloomy. However, national governments have been claiming that OECD estimates are too pessimistic for well over two years now, a period during which the forecasts have usually tended to underestimate the risks of recession.

The picture is particularly bleak for the world trade, which is expected to expand by only around 4 per cent next year, with very little growth indeed in trade between OECD member countries. What little growth there will be comes from higher OECD exports to non-OECD developing countries. Total exports are expected to grow by 5.1 to 6 per cent, rather more than imports.

NEDO chief to rebuke state group chairmen

By Malcolm Brown

Sir Ronald McIntosh, director-general of the National Economic Development Office, is expected to deliver a rebuke to state industry chairmen this week for the cavalier way in which many of them have rejected the criticisms made of them last year in the NEDO report *A Study of United Kingdom Nationalised Industries*.

The NEDO report advocated fundamental changes in the running of nationalised industries, including creating top-level policy councils which would provide the forum for greater participation by Whitehall, trade unions and consumers in their strategic planning.

But earlier this year, in a report of the Select Committee on Nationalised Industries, the proposals were greeted less than enthusiastically by the industries. British Airways, British Steel, British Rail and the National Coal Board all poured cold water on the idea.

In a considered reply this week Sir Ronald, who is leaving the NEDO at the end of the year, is likely to say that while it is quite clear that the state industry chairmen do not agree with the solutions suggested by his team this does not absolve them from suggesting some alternative.

He will stress that dislike of the particular solution proposed does not carry with it the implication that the problem does not exist.

Treasury dilemma on McIntosh successor

By Mairia Corina
Industrial Editor

An early decision on who is to succeed Sir Donald McIntosh as director-general of the National Economic Development Office appears to be held up by a TUC recommendation that the Government should nominate an industrialist rather than a senior civil servant.

The problem is that the salary is frozen at just under £19,000 a year since it ranks with that of grades set for Permanent Secretaries.

Few businessmen command the wide union respect with a working knowledge of Whitehall as well as an economic training, are likely to be attracted to the job. Senior Whitehall men, usually with a Treasury background, have tended to dominate the appointments.

Plenty of names are being floated in CBI and TUC circles. For whom they are worth, the list of potential candidates includes Mr Michael Shenkar, a weekly consumer magazine editor and chairman of the National Consumer Council.

Another name is that of Mr George Carrall, director-general of the National Farmers Union, who is a strong CBI member and once headed a government manpower survey. A popular choice is Mr Alan Lord, who



Sir Ronald McIntosh: alternative to NEDO solution.

The NEDO report, one of the most critical documents to appear on nationalised industries for a long time, catalogued the deteriorating relationships between the Government and state industries, characterized by distrust and confusion.

Sir Ronald said at the time: "I knew the situation was bad, but I had not realized until we began this study that it was as bad as it is."

A major criticism of the policy council has been that they would add a further layer to the operational management of state industries. Under the NEDO plan existing corporations would be responsible for managing state corporations in line with policy council decisions.

State industry board members would be appointed by and be accountable to the policy council, which would itself account to Parliament through annual reports.

left the Treasury after developing the industrial strategy to join Dunlop.

Other names include Sir Campbell Adamson and Sir Arthur Cockfield, formerly of the CBI and Prices Commission respectively, both with inside knowledge of Whitehall machinery. Another is Mr Kenneth Corfield, deputy chairman of Standard Telephones and Cables and a strong supporter of NEDO.

Among probable civil service contenders are Sir Kenneth Barrill, with an impeccable background and currently leading the Cabinet's Central Policy Review Staff, and Mr Robert Golding, a top man in the British team at Brussels.

A rank outsider is Professor David Donaldson, chairman of the Supplementary Benefits Commission, whose background in social policy might widen NEDO's work when the Government is trying to bring an industrial policy dimension across the whole of Whitehall.

The Government is faced not only with naming a NEDO chief but with searching out a deputy chairman for the National Economic Development Office. The selection of Mr Leslie Murphy to the chairmanship, Mr Murphy's deputy will have to take charge of the new regional boards which the NEB is setting up.

Minister expected to order inquiry into brewing industry investment

By Patricia Tisdell

An inquiry into brewing industry investment plans and their effect on prices is tipped as a likely outcome of the deliberations of Mr Hattersley, Secretary of State for Prices and Consumer Protection, on the Price Commission's highly critical report on beer prices and margins published in July.

Consultations with brewery representatives are expected to take place within the next few days.

A formula which will allow brewers to end their informal freeze on beer price rises without including investment costs in the calculation is thought to be on the agenda for the consultations.

Big brewery companies, none of whom has sought price increases since the price control legislation came into force in August, say that they are not prepared to peg prices for much longer.

Brewers' argument is that production costs have been rising at the same rate as in the first part of the year, when increases were implemented three-monthly. A decrease in barley prices has been more than offset by dearer fuel, and the new round of wage agreements is also starting to bite into profits.

Whitbread, whose interim results recently revealed a 2.3 per cent drop in profits during the six months to August, when

it had a relatively free hand in fixing prices, says it is preparing to seek an increase early next year.

Brewers have already sought advice on how the reconstructed Price Commission, which has considerable discretionary powers in interpreting the price code, would view their case for an increase.

Under the legislation which expired in July they had been entitled to offset part of their investment costs against price increases. But, while concluding that beer prices had risen rather less than prices generally, the old Price Commission called in its report for a "scrutinising" of the industry's future investment plans.

This rejected the argument that the three-year programme valued at nearly £1,000m in 1976 prices, would have to be funded from higher prices.

Most of the larger brewers have been going ahead with expansion plans this year despite slack sales caused mainly by bad weather but exacerbated by industrial action and lower consumer spending.

The programme provides, collectively, for investment of £498m on increasing brewing and wholesaling, mainly to cater for an expected increase in demand for lager. The new plants can be switched to conventional beers if the increase does not materialize. Also, the plans provide for £227m to be

spent on property, chiefly on improving public houses.

Companies with big expansion programmes already under way include Scottish & Newcastle, which expects to have spent more than half the £80m appropriated for new investment by the end of next year.

Whitbread has scheduled £100m worth of investment, of which the largest section is £35m to be spent on a new lager plant at Major, in Wales.

To influence implementation of investment programmes to increase capacity at this stage, an inquiry would have to be undertaken swiftly. It could have a profound effect on the way in which these costs are reflected in prices.

As far as improvements to public houses are concerned, an investigation into the deployment of funds could have far-reaching effects on the traditional relationship between brewer and tenant.

Under the present arrangements responsibility for major renovations rests with the brewers. The old price commission did not accept the brewers' claim that they could not separate the return on an existing investment of £1,300m in tied houses from that on new brewing and wholesaling.

It said the argument "suggests an approach to investment and deployment of funds which is quite outmoded".

Opec price rise of 5-8 pc predicted

Rio de Janeiro, Nov 20.—

Señor Carlos Andres Perez, Venezuela's President, forecast yesterday that the upcoming meeting in Caracas of the Organization of Petroleum Exporting Countries will increase oil prices "no more than 8 per cent and no less than 5 per cent".

The increase was "fully justified," he said.

Talking to a group of editors during a visit to the Rio newspaper, *Journal do Brasil*, Señor Perez said that "the purchasing power of the dollars we get from our oil has been substantially reduced during the last two years by the world inflation, so the increase of price is only fair".

Brown and Root tax investigation

Norway confirmed at the weekend that the tax authorities had started investigating the tax affairs of Brown and Root, the American oil services company with interests in the North Sea.

This comes after reports that the British and the Norwegian authorities were inquiring into alleged income tax irregularities. Reports in a London newspaper allege that by deciding on a proposal to pay employees salaries and paying the rest through overseas bank accounts the company has prevented the authorities from collecting several million pounds of income tax.

Leyland fears unrest over TUC pay ruling

B. Donald MacIntyre
Labour Reporter

Leyland is bracing itself for a period of tension over pay within the Cars group if, as seems certain, the TUC General Council hold fast on Wednesday to a strict 12-month rule on pay.

A key part of the new Leyland Cars industrial relations measures, accepted by a majority of nearly two to one in a ballot of the workforce, is the bringing of all agreements into one yearly round, starting on November 1.

But all indications are that the General Council, at its meeting on Wednesday, will refuse to clear the breach of the 12-month rule that would be needed for those of Leyland's 103,000 car workers who do not already settle on November 1.

Although the company's biggest plant, Longbridge, and a number of others in Birmingham already settle on November 1, workers at Cowley will have to wait until February for the 10 per cent increase on offer from before tax of £174.85.

With a substantial minority of the workforce against the deal in any case, Leyland could face some unrest over the delay if the General Council rules out a settlement in the rule that 12 months must elapse between settlements.

Mr Joseph Gormley, president of the National Union of Mineworkers, has already made it clear that an exception is made for Leyland the NUM will expect the same TUC sanction immediately.

The remainder of the measures, however, including the promise to pay the same rate

for the same job throughout the group by November 1979, would not be affected by the General Council decision.

And Leyland intends to implement for all workers a productivity bonus from November, unspecified at present but to be trebled from January, which it sees as well within government guidelines.

Malcolm Brown writes: A suggestion that 25 per cent of the equity of British Leyland should be put in trust for the workforce in an effort to boost productivity, has been made by Mr Michael Grylls, MP, vice-chairman of the Conservative Industry Committee.

In a letter to Mr Varley, Secretary of State for Industry, Mr Grylls welcomes the structural changes announced last week by Leyland but gives warning that this does not solve the central problem—the need to produce more vehicles. A dramatic gesture is needed, he argues.

"I suggest one way is to set aside 25 per cent of the 95 per cent government equity (held by the NEB) placing these shares in a trust for the employees of British Leyland".

These shares—about 75 million, or 500 per worker—would be issued over a five-year period in proportion to the production achieved by each factory, Mr Grylls says.

Thus, while the detailed surveys show consumers are to be disappointed, the general surveys in all three cases show a decline in consumer confidence.

It is difficult to reconcile these conflicting results. One is tempted to think that fears for the future would lead consumers to save more and spend less, but this does not appear to be the case. A greater degree of attention is now being paid by economists to consumer and business confidence surveys, but so far their results do not appear to be a particularly helpful guide.

Frank Vogl

Unit trust doubts hinder S & P quote decision

Unsettling prospects for the unit trust industry—despite October's slightly better figures—rather than the life insurance industry, is the main reason why the S & P group is continuing to have reservations about a decision to seek a public quotation.

Difficulties in the United States were one of the reasons why Britain's largest unit trust group postponed its well-advanced plans to go public some 15 months ago, according to Mr David Maidland, S & P's managing director, yesterday, but it was "no longer a significant factor".

Mr Maidland said First Investment Annuity Company of America, a subsidiary of S & P's parent-owned investment Annuity Incorporated, had stopped writing business after a changed interpretation of the tax laws by the United States Inland Revenue Service.

Leaders of Britain's television and audio industry open talks in Tokyo today with their opposite numbers in the Japanese industry in an attempt to establish for the first time a longer-term agreement on the level of imports into Britain.

The British delegation from the Radio Industry Council (RIC) is also looking for an agreement beyond the present understandings on colour and monochrome television imports. There is increasing anxiety among British makers, particularly at the inroads being made by Japanese-made music centres, so far not covered by any agreements.

Tough bargaining is expected

during the two days of talks now that the Japanese appear to be poised for a major sales push into the European market, with Britain as one of the prime targets.

Although the Japanese hierarchy have been unwilling to commit themselves beyond a tacit understanding, imports of colour television sets are expected this year to come within the 10 per cent share of the market on which a gentlemen's agreement covering one year was reached at Tokyo talks a year ago.

The RIC is looking for a continuation of this level of imports in a television market running at the moment at about 1.5 million units a year. Some expansion is being forecast, but it may well be 1981 or 1982 before a total of 2 million units is reached.

MP calls for skeleton Sunday mail service
An MP urged the Post Office yesterday to experiment with a skeleton Sunday service. Mr

LAI recently received a bid which S & P well consider at the end of this month.

National Savings stay buoyant
Investment in National Savings continued buoyant in the week ending October 28. New savings were £27.7m, lifting the total in the current financial year to £1,002m.

In particular there was sharp growth in demand for National Savings Certificates. October sales of £47.3m lifted the total so far this year to £226.5m, compared with £98.8m after the first seven months of the 1976-77 financial year.

MP calls for skeleton Sunday mail service
An MP urged the Post Office yesterday to experiment with a skeleton Sunday service. Mr

World tin shortfall
World tin output, which this year is expected to fall 15,000 tonnes short of consumption, is likely to drop even further in future unless adequate incentives are given to producers, a world tin symposium in La Paz, Bolivia, concluded last week.

Delegates said the best incentive to higher production was better world prices. These were necessary to promote more investment for the discovery and exploitation of tin deposits.

Cementation wins £10m Selby contract
Cementation Mining has been awarded a contract for design and sinking of a second pair of shafts at the Selby, Yorkshire, mine project of the National Coal Board.

The shafts will be located south of the main shaft and concrete-lined throughout. Value of the shaft construction and associated works is in the region of £10m.

On other pages
Appointments vacant 22, 24, 25
Business appointments 22
Diary in Europe 21
Financial Editor 21
Letters 20
Management 20
Weekly share prices 18

Bank Base Rates Table 23
Annual statements: Kwik Save 21
Freestrich Parker 19
Interim statements: Hill Samuel 20
F. H. Lloyd 19

Lending rate 5 pc
The Bank of England's minimum lending rate remains unchanged at 5%. The following are the results of the Treasury Bill Tender: Applications 6,244m Allotted 6,244m
Bids at 6,244m Received 4,439m
Average yield 4.756% Next Friday 8,250m Replace 8,250m

PRESTWICH PARKER LTD.

Manufacture and sale of nuts & bolts. Merchandising of engineering sundries and protective clothing.

CHAIRMAN'S STATEMENT
The Annual General Meeting of Prestwich Parker Limited was held at Atherton on the 17th November and the following is the report of the Chairman, Mr. Alfred Parker.

The Accounts now presented for our last financial year show a profit before tax of £174,485.

The major cause of the reduction in the level of profit compared with previous years has been the necessity to make full provision for doubtful debts having been incurred in our overseas trading. Every effort is being pursued to recover the debts due to the Company.

Trading on the home market has again been difficult. The lack of demand throughout the construction and engineering industries has created keen competition for a reduction of profit margins. Manufacturing expenses continue to increase and can only be offset by increased production, and your Board is constantly reviewing methods to improve the output. Consideration is being given to the acquisition of new plant to reduce the high production cost of hot forging operations. The ever increasing cost of raw materials and labour involved in the hot forging process are reducing profit margins to a level which necessitates a change over to new methods and the introduction of additional automated machines.

Our merchandising subsidiary, Potter Cowan and Company Limited, has again had a successful year. The service offered in Scotland has gained many new customers and we look forward to further increased trade in the coming year. At Aberdeen, the branch turnover has profited from the demands of this active industrial field and we are sure this expansion can be maintained.

In April 1977, the interim dividend of .8125 pence per share was paid and the Board have recommended a final dividend of 2.1875 pence per share—a total of three pence per share and the same amount as for the previous year.

Finally, I wish to thank all our employees who have given their efforts and full support to the Company activities during the year under review.

BELHAVEN BREWERY
Reorganisation complete, the former CCH Investments Limited has been renamed BELHAVEN BREWERY GROUP LIMITED

producers of traditional beer from its Brewery near Edinburgh
For copy of Trading Statement to September 1977, and list of Outlets, Write:

Belhaven House,
67 Walton Road,
Molesey, Surrey.
(01-941-1597)

F.H. Lloyd

HOLDINGS LIMITED
Interim Report

	Unaudited Results for 26 weeks to 1.10.77	1976/77	1977/78
External Sales	31,295	30,747	63,706
Profit before Taxation	2,122	2,339	5,793
Earnings per 25p Share	4.1p	4.5p	11.6p

Interim Dividend 1.63p 1.46p
Additional payment re 1976/77 0.0507p

Chairman's Comments
Company results for the six months ended 1st October, 1977—pre-tax profits of £2,122,000 (1976 £2,339,000)—are in line with my comments at the time of my June statement.

The reduced level of orders in our Foundry and Steel companies has continued and I do not expect any uplift in the second half of the year. The U.K. and world situations in both of these sectors show no sign of improvement and have indeed deteriorated further since June.

The Engineering companies and the Lloyd Cooper mini-mill, I am pleased to say, continue to operate at satisfactory levels.

We have, during the last six months, re-organised our Group management structure into two divisions—"Foundry and Services Division" and "Steel and Engineering Division"—with a Joint Divisional Executive Board. Our object is to extend Group executive responsibility to the Managing Directors of our major companies, so directly involving them in Group decision-making. This plan is working well and is already contributing to an improvement in the efficiency of Group operation.

MANAGEMENT

Edited by Rodney Cowton

LETTERS TO THE EDITOR

Advertisements of pure gold

New advertisements for Benson and Hedges Special Filter cigarettes are starting to create a stir outside as well as inside advertising circles. Appearing in newspapers and magazines and on posters the campaign shows the familiar gold pack in a variety of surrealistic settings—inside a birdcage, alongside a mouse hole, hung in a picture gallery and inset in a signet ring.

The latest, where the pack is plugged into an electric socket, highlights the slightly "jokey" theme used throughout the series.

The absence of words as well as being aesthetically desirable is useful in helping to keep the advertisements clear of the Government's restrictions

Apart from their striking appearance, the advertisements are unusual in that they carry no words apart from the obligatory government health warning and the printing on the pack. While generating an unusually high level of interest from smokers—Ms Maggie Green, executive in charge of marketing the brand at Gallaher, says she has never received so many letters and comments about an advertising campaign—they are regarded with a mixture of scepticism and envy by competitors.

The word most frequently used, with much justification, to describe the campaign is "brave". And indeed when, last autumn, the campaign was first designed, the cigarette market was in turmoil during a price war over king size brands,

which Gallaher's prestige Special Filter brand at that time appeared to be in danger of losing. Aggressive marketing of the John Player brand by Imperial Tobacco forced Rothmans and Gallaher, the established sector leaders, to look sharply at their own promotional strategies.

Not surprisingly, the aloof, almost arrogant theme drawn up for this campaign was agreed only after much heart searching by Gallaher and Collett Dickinson & Pearce, its advertising agency. The concept was in marked contrast to the price slashing, special offers, value for money themes of other manufacturers.

During the inevitable time-lag between design and publication of the advertisements this spring, cigarette sales trends stabilized. The king size share of the market expanded from about 8 per cent of the total to more than 20 per cent, with clear signs of further growth to a present figure of possibly 30 per cent.

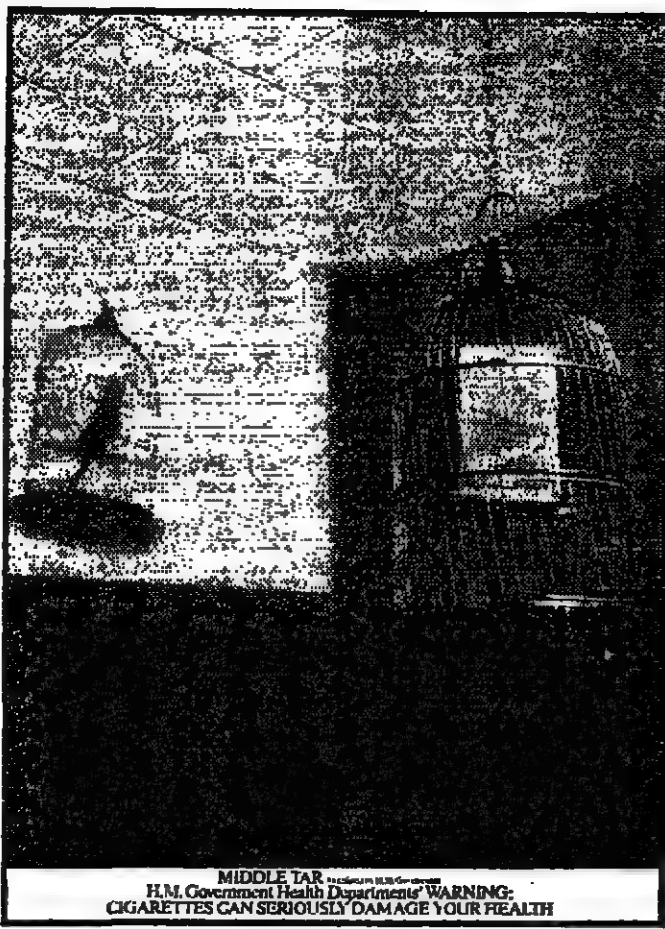
Discounting continued but became slightly muted as the promotional prices which accompanied the John Player king size launch gradually faded. While keeping pace with its competitors on price, through trade discounts, Gallaher was anxious to keep the prestige image, painstakingly built up for Benson & Hedges Special Filter ever since the brand was first launched in 1962.

At that time, king size filters represented only about 2 per cent of cigarette sales. Gallaher's reasoning was that this type of cigarette was bought mainly as a luxury for special occasions and it catered single-mindedly for this market from the outset with an expensive and expensive-looking gold foil pack.

From the start the policy has been that all advertisements (except television commercials, which in any case have been banned since 1965) appeared in colour. Of necessity this restricted the media which could be used initially to theatre programmes and glossy magazines, spreading later to newspaper colour supplements and later still to newspapers themselves.

However, since king size cigarettes were still a minority market, this was not seen as too much of an inhibition.

A new departure of the present campaign, to match the recent dramatic expansion of the market, has been its appearance on poster sites, which of course give a much wider audience. This too was not a decision taken lightly,



One of the surrealistic Benson and Hedges advertisements.

since formerly posters where a variety of products appear in close proximity were seen as possibly detracting from the brand image.

The present series of advertisements is a departure in theme as well as in the way in which they are used. For example, in previous press advertisements, humour, although appearing in written puns such as the widely used "pure gold from Benson & Hedges" slogan, was much more subdued.

At the same time the campaign incorporates many elements of the early cinema and television commercials, which among other things were notable for containing only music on the sound track as well as for the humorous twists at the end. The absence of words in the new press advertisements, as well as being aesthetically desirable, is useful in helping to keep the advertisements clear of the minefield of restrictions now imposed on cigarette advertising content.

Gallaher is relying mainly on the originality of its advertisements rather than the frequency with which they appear to win attention. The company is reluctant to cite actual spending levels but says that the sums spent on buying media space are probably no higher than say Rothmans, its main competitor. However,

Gallaher's says that Special Filter advertisements cost approximately twice as much to produce as those for any of its other brands.

Enormous pains are taken in composing and photographing the pictures—to give the appearance of a reflection of flying ducks in a mirror, for instance, a hole was cut in the wall of the set and a separate room built behind it.

The aim of the campaign is not to generate instant sales, but rather to build on an impression created over a long period. At the same time Gallaher is mindful of the fact that the brand's sales have not only recovered in the past year, but have grown to make it the second best seller of all cigarette brands and well on the way to matching leadership from Player's No 6.

Having, it believes, successfully weathered the storm caused by a first stage in changes to harmonize the British structure with that of the EEC, Gallaher is looking to the image built up through advertising to carry the brand through the next difficult stage due to take effect next year.

In taking packaging as well as tobacco the new structure is likely to make Benson & Hedges Special Filter dearer than its rivals because of its relatively expensive gold pack.

Patricia Tisdall

Dependence, games and the executive

The status and role of managers in Britain are now well on the way to becoming middle class obsessions. Successive years of incomes policy have undermined their financial position; the assertiveness of trade unions has eroded many of their prerogatives, and there is a profound sense of unease in many managers.

The time is clearly ripe for the emergence of a new strand of literature helping to explain their growing alienation. Two recent titles, *Alistair Mant's The Rise and Fall of the British Manager*, and *Michael Maccoy's The Gamesman*, offer valuable insights and stimulating reading.

In Mr Mant's case the relevance to the British scene is direct and explicit, in Mr Maccoy's it is indirect, and depends on the extent to which one feels that an American analysis can be transplanted to this side of the Atlantic.

Mr Mant sees the present crisis of management as being a reflection of a serious national disorder. He believes that British society has rejected the masculine qualities and the willingness to fight which were the basis of the more masculine quality of earlier generations.

The masculine attributes have been displaced into alien sub-cultures which are seen as being devoted to the pursuit of sectional interests, among which are industry and management. Industry is viewed as being a hard, rigorous world. This split between the dominant culture of

The authors are both implicitly accepting that one of the most difficult problems of modern society is to obtain the proper balance between dependence and aggression

society and that of industry has led to a profound distrust of "large organizations in pursuit of profit".

But it has also created problems for the individual manager who, as he travels and from work, is at the same time commuting between cultures. Mr Mant sees the true, but often unrecognized, role of management education and management development as being to assist managers, and notably those at middle and junior level, towards a reconciliation of their psychological needs with their role at work.

Basically, however, he sees the solution of present problems as coming only through an ending of the dichotomy between the two cultures but above all with society adopting some of the tougher values of industry. His model is Sweden, where he sees a tough-minded search for efficiency allied to a concern for the individual.

But if Mr Mant finds the kernel of the problem in society at large, Mr Maccoy finds grounds for criticizing the environment within large corporations.

On the basis of long interviews with 250 managers in high technology companies in the United States, he has identified four categories of manager, according to their psychology and modes of behaviour.

The key category from which the leadership and dynamic quality comes, he has called the "gamesman". He is defined as someone who loves change and wants to influence its course. "He likes to take calculated risks and is fascinated by technique and new methods. He sees a developing project, human relations and his own career in terms of options and possibilities, as if it were a game."

Gamesmen are cooperative and are not overly destructive, but they lack passion and compassion. The sub of Mr Maccoy's analysis, and of his complaint, is that corporate work stimulates and rewards qualities of the mind and not of the heart. Of America he says: "Careerism has emerged as the dominant national orientation; . . . careerism results not only in constant anxiety, but also in an underdeveloped heart."

From there Mr Maccoy goes on to argue for the development of organizations which build on human qualities, though en route he discourages the work of those twin deities of liberal management, Douglas McGregor and Abraham Maslow.

Thus Mr Maccoy and Mr Mant are looking in opposite directions, the one arguing for more conscious working environment, the other for a less effete society.

But if one can make allowances for differences between the United States and Britain, it would probably be found that Mr Maccoy and Mr Mant were sending back to back on common ground, both implicitly accepting that one of the most difficult problems of modern society is to obtain the proper balance between rigour and softness, between dependence and aggression.

* *The Rise and Fall of the British Manager* by Alistair Mant, published by Macmillan (£5.95). *The Gamesman* by Michael Maccoy, published by Secker and Warburg (£4.90).

RC

Workings of Employment Protection Act

From Mr Barry I. Mordsey

Sir, Mr Francis (November 15) has referred to the injustices of the Employment Protection Act and has given us an example. He states that an employer has to prove his innocence before a tribunal; one can only assume, as he does not explain, that he is referring to the fact that the law requires an employer to show he acted reasonably when dismissing an employee.

This example, however, was not introduced by the Act but by earlier legislation. In any event the analogy of a criminal trial is hardly appropriate. Does Mr Francis want the burden of proof to be on the employee so that he has to show that the employer acted unreasonably? This is not any fairer, objectively.

He also states that the employer has no protection if he becomes involved in frivolous or malicious actions. If Mr Francis had checked the position a little more carefully he would have discovered that costs are awarded to any party where the other party has acted frivolously. Mr Francis may find labour legislation "pernicious", but our standards merely comply with the international ones.

Mr Simcoe (November 15) asks a number of questions; first, regarding giving corresponding rights to employers where rights are given to unions. This is a strange concept as rights and duties are two different sides of the same coin, so that employees' rights are employers' duties. However, I always thought that, for example, shop stewards were free to join employers' associations in the same way that employees can join unions.

Let us not exaggerate the supposedly one-sidedness of our labour laws. Employers can lawfully dismiss their employees if they are not fulfilling their duties, provided that they follow the correct procedure. Employers can dismiss strikers with impunity—so much for the right to

strike. The latest official figures show that two out of three applications for unfair dismissal are unsuccessful.

Secondly, Mr Simcoe's refers to the imposition of conditions on employers, without a right of appeal, by bodies which are clearly not independent. I am not sure to which bodies he is referring, but if he means ACAS, I think this is a considerable slur on a responsible body, containing representatives from both sides of industry and which is doing a very fine job in promoting orderly industrial relations.

Thirdly, he asks where trade unions alone have the right to appoint representatives to safety committees. This and the second question are hardly pertinent to the question of employment and small firms, but it should be realized that in Scandinavia the powers of safety representatives are much more extensive than here and employees are very heavily unionized. However, it is not seriously suggested that this kind of matter would deter employers from engaging workers.

Of course, the right not to be unfairly dismissed is the force motivating employees to go to licence renewal, it has to be sent or taken to any LVLO and not taken to a post office.

3. When someone wants to renew a licence and tell us at the same time that the registration details have changed, he or she should complete the appropriate parts of the form V10 and the registration document and send them both, together with the duty payable, insurance certificate, and, if necessary, vehicle tax certificate to any LVLO. A tax disc will be issued virtually by return and a new registration document will follow.

4. The V10 is distributed in large numbers through some 1,500 outlets, and it would be a very expensive business to replace it as soon as any of the details shown on it changed. Existing stocks are now, however, being replaced with a new printing showing the current rates of duty.

5. A new form V10, which will be much simpler and which will not become out of date so quickly, is being prepared and will be in use next year.

6. Eventually, LVLOs' addresses will be found in the appropriate telephone directory under "Department of Transport", but many of them are quite new so this is not yet so everywhere. The addresses will also be found in a leaflet "Registering, licensing, insuring, and renewing your vehicle", available free at LVLOs and, shortly, at post offices. I am sending a copy of this to Mrs Fielder, but in any case she would have received with her renewal reminder a leaflet giving the LVLOs' addresses.

Yours faithfully, J. A. FOWLES, Director, Driver and Vehicle Licensing Centre, Longview Road, Chas, Swansea SA6 7JL, November 9.

Unfortunately, some of the resistance to longer academic courses for engineers is rooted in much earlier attitudes to educational reform in Britain. Some came from the belief that Britain should have a part-time technical education system for its professional engineers long after her competitors established fully vocational full-time systems.

Lord Brown's article (October 10) stressed that Britain's relative failure in product design was an organizational problem. Some of the difficulties inhibiting the development of university engineering departments are also organizational. It is indeed difficult to see how, within the present financial and organizational framework of the British university system, adequate resources could be found and applied to the development of professional schools of engineering capable of providing the longer courses of education and training needed. The support given by industrialists like Mr Liddewood for such changes is therefore very encouraging.

Yours faithfully, A. W. J. CHISHOLM, 2 Little Smith Street, London SW1P 3DL, November 9, 1977.

Vehicle licensing procedures

From the Director of the Driver and Vehicle Licensing Centre

Sir, Your reader Helena Fielder makes some fair points in her letter about vehicle licensing (November 8) and it may be helpful to her and your other readers if I comment on them. I should say at the outset that keeping track of the ownership and licensing position of some twenty million vehicles is a big enough task without our introducing any needless complications.

1. The reminder/renewal form sent from Swansea (V11) can be used, over a post office counter or at any local vehicle licensing office (LVLO), where the details given on the vehicle's registration document remain correct. About three-quarters of all vehicle licences are renewed in this way. There is no need to present the old disc or the registration document.

2. Where the details have changed, for example where the vehicle's owner has moved, the V11 cannot be used and should be discarded. A form V10, which is held in post offices and LVLOs is needed. Because this form serves some rather complex purposes in addition to licence renewal, it has to be sent or taken to any LVLO and not taken to a post office.

3. When someone wants to renew a licence and tell us at the same time that the registration details have changed, he or she should complete the appropriate parts of the form V10 and the registration document and send them both, together with the duty payable, insurance certificate, and, if necessary, vehicle tax certificate to any LVLO. A tax disc will be issued virtually by return and a new registration document will follow.

4. The V10 is distributed in large numbers through some 1,500 outlets, and it would be a very expensive business to replace it as soon as any of the details shown on it changed. Existing stocks are now, however, being replaced with a new printing showing the current rates of duty.

5. A new form V10, which will be much simpler and which will not become out of date so quickly, is being prepared and will be in use next year.

6. Eventually, LVLOs' addresses will be found in the appropriate telephone directory under "Department of Transport", but many of them are quite new so this is not yet so everywhere. The addresses will also be found in a leaflet "Registering, licensing, insuring, and renewing your vehicle", available free at LVLOs and, shortly, at post offices. I am sending a copy of this to Mrs Fielder, but in any case she would have received with her renewal reminder a leaflet giving the LVLOs' addresses.

Yours faithfully, J. A. FOWLES, Director, Driver and Vehicle Licensing Centre, Longview Road, Chas, Swansea SA6 7JL, November 9.

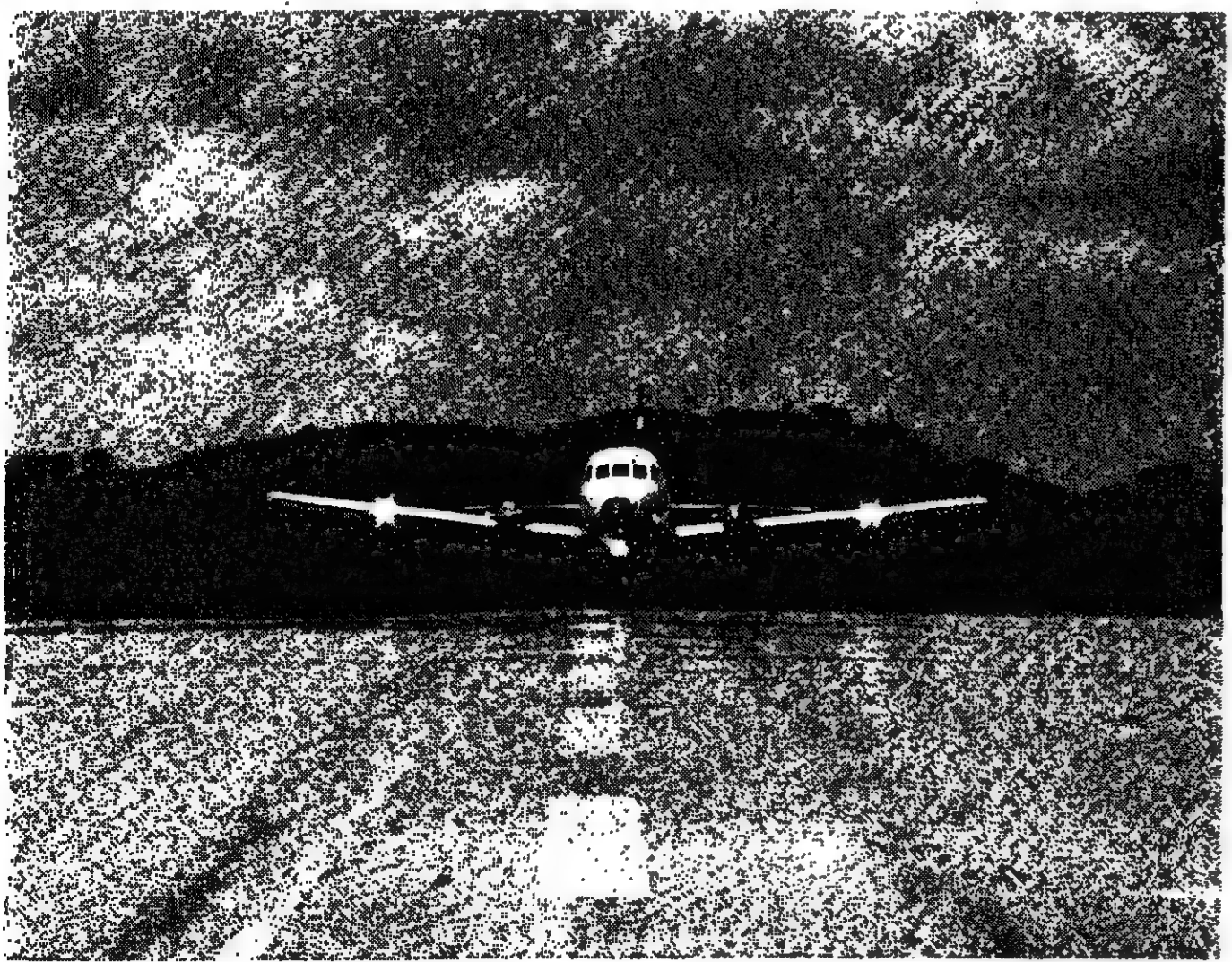
Unfortunately, some of the resistance to longer academic courses for engineers is rooted in much earlier attitudes to educational reform in Britain. Some came from the belief that Britain should have a part-time technical education system for its professional engineers long after her competitors established fully vocational full-time systems.

Lord Brown's article (October 10) stressed that Britain's relative failure in product design was an organizational problem. Some of the difficulties inhibiting the development of university engineering departments are also organizational. It is indeed difficult to see how, within the present financial and organizational framework of the British university system, adequate resources could be found and applied to the development of professional schools of engineering capable of providing the longer courses of education and training needed. The support given by industrialists like Mr Liddewood for such changes is therefore very encouraging.

Yours faithfully, A. W. J. CHISHOLM, 2 Little Smith Street, London SW1P 3DL, November 9, 1977.

What if the workers of Hong Kong use their representative voice to denounce the protectionism of Mr Jack Maccoy's garment workers union which is depriving them of a living? Yours faithfully, P. B. HARRIS, Professor and Head, Department of Political Science, University of Hong Kong, November 11.

What if the workers of Hong Kong use their representative voice to denounce the protectionism of Mr Jack Maccoy's garment workers union which is depriving them of a living? Yours faithfully, P. B. HARRIS, Professor and Head, Department of Political Science, University of Hong Kong, November 11.



Brazil: an economy at take-off.

May we introduce you?

The aircraft in our picture was designed and made in Brazil.

Does it surprise you to learn that Brazil has an aircraft industry? If so there could be other gaps in your knowledge—and you could be missing vital business opportunities in the country which is tipped to be the world's next industrial giant.

Brazil's economy has reached take-off. Last year the country turned out nearly a million motor vehicles, and 78,000 tractors. It has the only float-glass plant in South America. It is one of

the world's leading producers of cane sugar, bananas, edible beans, coffee and oranges. And in the Bank of Brazil it has Latin America's largest financial institution.

The size and importance of the Bank puts it in a unique position to introduce you to this vast market. We have all the facts at our finger-tips. We can help you with fiscal and company law.

And we have a network of contacts in commerce and industry throughout the continent. Call us soon.

BANCO DO BRASIL S.A.

London Branch 15/17 King Street, EC2P 2NA. Telephone 01-406 7101. Telex 861230.

BRASIL: A economia em decolagem. O avião na nossa fotografia foi projetado e fabricado no Brasil. Surpreende-o saber que o Brasil possui uma indústria aeronáutica? Se sim, poderá haver outras lacunas no seu conhecimento e poderá estar perdendo oportunidades vitais de negócios no país que é considerado o próximo gigante industrial do mundo. A economia brasileira atingiu o decolagem. No ano passado o país produziu quase um milhão de veículos automotores e 78.000 tratores. Possui a única planta de vidro flutuante da América do Sul. É um dos principais produtores mundiais de cana-de-açúcar, bananas, feijão comestível, café e laranja. E no Banco do Brasil possui a maior instituição financeira da América Latina. O tamanho e a importância do Banco colocam-no numa posição única para introduzi-lo neste vasto mercado. Temos todas as informações à nossa disposição. Podemos ajudá-lo com questões fiscais e de legislação corporativa. E temos uma rede de contatos em comércio e indústria em toda a América Latina. Chame-nos logo.

BANCO DO BRASIL S.A.

Hill Samuel Group

Interim Statement

The profits of Hill Samuel Group Limited for the six months to 30th September 1977, before taking account of exchange differences and extraordinary items, are similar to those of the corresponding period of last year.

The Board has declared an interim dividend for the year ending 31st March 1978 of 1.675 net pence per share (last year 1.5p net) payable on 3rd January 1978 to shareholders whose names appear in the register of members on 18th November 1977. (For the year to 31st March 1977 there was a final dividend of 2.7655p net, making for the year as a whole 4.2655p net.)

Hill Samuel Group Limited

100 Wood Street, London EC2P 2AJ



BY THE FINANCIAL EDITOR

Nagging doubts in the market

Stock markets last week looked increasingly to be huddled in no man's land, totally uncertain as to whether their next significant move should be to advance or retreat. While the prospect of a continuing fall in the annual rate of price increases over the next few months remains, together with the prospect of accelerating economic growth next spring, all kinds of doubts are now starting to show themselves. In particular, of course, there is mounting concern over the future of pay settlements and the trend in the money supply.

On the issue of pay, the market is showing signs of wavering. Initially, it tended to take the view that the economy could take an increase in earnings some way above the Government's 10 per cent guidelines, and was obviously encouraged as some of the early settlements started to look rather lower and rather more easily agreed than expected. Now that things are starting to get rather tougher, and now that sterling has floated, there is not only less optimism in general but growing doubts as to the capacity of the economy to absorb earnings increases significantly into double figures.

More disturbing, however, particularly to the gilt market, is the trend in the money supply. Everyone knew the October money supply figures were not going to be good. Everyone suspects that the November figures will be bad too, since the decision to call a halt to pumping sterling into the foreign exchange market was not taken until well into the November banking month. What people are increasingly worried about now, particularly after the latest signs that bank lending may be accelerating, is whether or not there is any possibility of moving back inside the 13 per cent growth ceiling by next spring.

The real fear on this score is quite simply that the Government, rather than risk strapping an incipient economic recovery, will be content to allow some kind of overshoot. Arguably, it could be rather short sighted of the market to take too strict a view of the situation. The problem, however, is that the Government may be asking for legway at just the moment when the pattern of pay settlements may once again be suggesting that excessive monetary growth is deemed to be inflationary rather than deflationary, and at a moment in the cycle when the annual rate of price increases may be suggesting that the money supply should be tightened, not loosened.

Accountants

Easing the burden on small companies

The accountancy profession may soon put firm proposals to the Department of Trade to remove small companies from the current requirement of a full-scale audit. The department has already said that it is considering a three-tier level of corporate disclosure, but it has waited for more concrete suggestions before making any move on changing audit requirements. Opinion among accountants, however, is still sharply divided. The English Institute seems to be chafing at the bit to remove onerous audit requirements from small companies, but at the moment is carrying neither the Scottish Institute nor the important Association of Certified Accountants, whose members are particularly concerned with small company audits, with it.

In fact the Certified Accountants have presented the Consultative Committee of Accountancy Bodies with alternative proposals, which support the idea of separate disclosure requirements for different size of company, but strongly plead for the retention of a full audit as a necessary check to limited liability.

Mr Richard Wilkes, chairman of the Auditing Practices Committee, is to meet the Certified Accountants to convince them they are wrong. If he succeeds he will make the task of his own committee much easier. Whereas it is possible to exempt smaller companies from following standards on the way financial information is to be presented, it is far more difficult to have dual auditing standards without bringing about, *de facto*, the state of affairs the Certified Accountants wish to avoid.

Why, then, not accept the situation, ally differing size categories with disclosure and auditing, and let the small company off an

increasingly onerous audit?

This, roughly, is what is proposed. APC would like to give companies with less than 50 employees and £250,000 annual turnover, the opportunity to opt out of a full audit through a vote at an annual meeting.

There could either be a requirement for a full audit unless a vote was taken against it, or vice versa. Those who opted out would have an accountants' report which would say the accounts have been drawn up in accordance with accounting standards but the information on which they are based has not been verified.

Objections to a "report" or "review" on these lines could come from banks, finance houses and the Inland Revenue who may rely on an auditors' opinion. Certainly a "warning" of company law would be necessary if small companies were to be exempted from the need for an auditors' report.

First it is arguable whether it could be done until the EEC Fourth Directive on company law, which would modify the onerous First Directive, is finally issued.

More importantly it would be likely to lead to a splitting of the accountancy profession into two. It is an idea which stirs beneath the Cross Report on disciplinary procedures within the profession in its distinction between matters of "public" and "private" interest and is already a fact in the United States. It is likely that the EEC ultimately will require the auditing of large public companies to be carried out by auditors with certain qualifications.

Trafalgar House New directions

Reflecting on Trafalgar House's development in his last annual statement, chairman, Mr Nigel Brookes remarked that "we never bought anything we did not intend to integrate, manage and hold indefinitely". So in the unlikely event of the leopard having changed its spots, there is somewhere



Mr Nigel Brookes, chairman of Trafalgar House.

beneath the recent buying spree—Beverbrook Newspapers, Morgan-Grampian and a keen interest in the troubled Fairway Group's non-aviation interests—a game plan to meet Trafalgar's long-term objectives of strengthening the balance sheet and asset backing as well as improving the quality and quantity of earnings.

Ever since Trafalgar got a grip on its gearing and turned its back on big-time property development, it has been apparent that the group has had takeover ambitions to make use of an ever-rising cash flow. Total debt is still over £200m, or nearly double shareholders' funds, but with spending on fixed assets of only £43m, pre-tax profits running at some £40-£45m and further property development in hand as well as sales from the Maritime Fruit Carriers deal there is little chance of Trafalgar being blown off course from its five-year plan of reducing debt to only £50m.

Even with this financial muscle, however, there are obvious difficulties in today's takeover scene in making one large acquisition so it looks as though Trafalgar is having to go about it in a rather more piecemeal way than it would probably have liked.

For the moment, Mr Brookes has apparently identified the publishing world as a fertile area of development while if he can get Fairway's engineering interests that at a cost of £15m with profits running at perhaps £4m a year will wash its face quickly. The only snag is that Sir Charles Hardie, Fairway's receiver, did not appear such a willing seller to judge by his comments yesterday as Sir Max Aitken.

The spending options posed by North Sea revenue

Hugh Stephenson

It is recorded that on one occasion, faced with two totally opposing policy prescriptions on a particular issue, that master politician, President Franklin D. Roosevelt, delivered the Delphic instruction that someone should "try to wear them together".

By all accounts the same is being tried with the proposed Government "green paper" on what to do when the North Sea oil revenues come rolling in.

The difficulty of blending Mr Bean's draft with sections prepared by the Treasury has resulted in the publication of a public discussion document, being further postponed. Instead, a much more tentative document is being circulated for the time being within the Labour Party.

A version of that internal discussion document has been heavily leaked already. On that basis, the range of options exposed does not seem to go much beyond what was suggested in the series of articles which we ran in these columns two weeks ago.

The only major red herring that seems condemned to be dragged back and forth across the debate is the issue of exchange rate policy and exchange controls themselves.

The myth is being perpetuated that exchange controls in themselves have something directly to do with domestic employment levels.

This is thought to follow from the analysis that, if money is kept forcibly in this country, it will be used to create more domestic jobs than would otherwise be the case; while, if exchange controls are lifted and money leaves the country, jobs—or at least job prospects—will leave with it.

This view continues to be deeply held, but it is becoming increasingly evident that British companies find exchange controls a major impediment to their establishing overseas manufacturing facilities at the present time.

Equally, it is wrong to think that exchange controls are going to be decisive one way or another in settling the level of the exchange rate in the medium term. The fact is that, if this country continues to run a substantial surplus on its current account, the

upward pressure on the pound will continue. In such circumstances, it is entirely possible that a public relaxation of exchange controls would be taken as a sign of underlying strength and, perversely, lead to a net inflow rather than a net outflow of funds.

Either way, the current account will be the dominant force on the exchange rate, far outweighing anything that might be decided as a deliberate act of policy as to whether the rate should go up, go down, or stay about the same. So much for the effect of the North Sea oil on the external accounts. The second range of options covers what the Government might do with the revenues, which becomes substantial after 1980. There is much imprecise talk about the importance of not "fritting away" the benefits of the North Sea.

The range of options, however, quite simply boils down to the fact that, given substantial oil revenues, the Government of the day will be able to finance a given level of expenditure with lower general taxes; or a higher level of expenditure with a given level

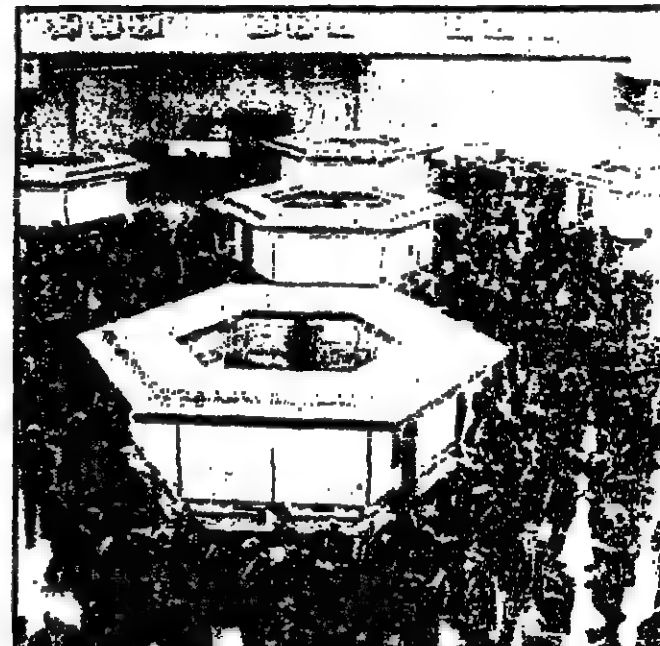
of general taxes; or some combination of the two.

There is no way in which levels of capital investment in the private sector will rise until the economy expands to take up existing spare capacity. The issue, therefore, in both the public and the personal sector of the economy resolves itself to one of how much of the extra resources being made available should be devoted to consumption and how much to longer term investment.

This applies most obviously to personal tax cuts, which might be expected to feed most directly into increased consumption. But it applies equally to any increase in public expenditure that might take place. All of this involves a far more fundamental debate about economic and social priorities than all the non-sense about exchange controls.

The stock market under stress

This is the first of three articles discussing the pressures for change in the British and American securities markets. Tomorrow the position of the stock jobbers in London will be considered and on Wednesday the changes affecting the American market will be discussed.



Floor of the London Stock Exchange

The Stock Exchange has been called a club and it is true. It is an independent association of stock-jobbers and stock-brokers.

It aims to provide a market in which shares can be bought or sold and which gives those in whose stock it is invested to deal—whether they be governments or companies—the opportunity to raise fresh capital from the public.

As such, it has an important function: an important, many people say, for it is to be left simply to the 46 elected members of the Stock Exchange Council.

For the past five years Stock Exchange members have reflected this criticism: it is not an efficient mechanism for moving funds into industrial investment and it has taken a progressively stronger line on regulation of the market place and those who use it.

But in doing all this it assumed that rules would remain intact, or at least that changes in the rules would evolve, rather than be forced through by outside influences. It was quite wrong to assume that, however, for not only are statutory authorities seeking to force changes in the rules, but even members of the Stock Exchange itself are trying to bend them.

This naturally threatens the Stock Exchange's ability to regulate its own affairs and, despite pressure efforts to improve self-regulation of the financial system, the spectre of a British version of the American Securities and Exchange Commission, which would be in charge of the Stock Exchange for one, is still there.

What the Stock Exchange

failed to see sufficiently clearly was that the economic and financial pressures which have forced the small investor into retreat and laid the corporate fixed interest market low, combined with political pressures, would begin seriously to damage the fabric of the market system. The symptoms are a growing institutional domination of the market; real questions about the future of the stock-jobbing system, which is a central characteristic of the British market; and cries of "monopoly" accompanied by two specific official inquiries into the mechanics of the market, one into the commission charging structure and the other effectively into the jobbing system itself.

The outcome is that a special chairman's committee has been formed to advise the position and advise the council on what action should be taken.

As it happens—and this may be no coincidence—the same sort of situation exists in the United States. There the SEC has been pushing through profound changes, most notably the abolition of fixed brokerage commissions two and half years ago and the present move to abolish Rule 390 of the New York Stock Exchange, which would mean the end of its dealing monopoly under which any trade by its members in a listed security must be shown to the NYSE floor first.

The effect of this is that the SEC is proposing to open up to American investors the opportunity to deal in any one of several competitive markets, of which one—always assuming it can remain competitive—will be the NYSE floor.

Members of the Stock Exchange in London have watched events in America with horror. There are too many of them, with the position here for comfort.

Since the advent of nego-

tized commissions in Wall Street in May, 1975, more than 150 brokerage houses have either merged or gone out of business. Now the SEC's proposed ending of exchange monopolies and moves towards an automated, central market system seem to threaten the rationale of having trading floors at all.

Here, too, the commission-charging structure is under threat. The Office of Fair Trading has started a process which could put the Exchange's commissions in front of the Restrictive Practices Court. It is also looking at the Stock Exchange's rule book, a fundamental of which enforces the distinction between jobber and broker—respectively principal and agent.

The Stock Exchange has said that it will fight any move towards negotiated rates, on the basis of what has happened in New York. But the difficulty is that nothing has occurred on Wall Street that particularly worries the SEC.

Fierce competition for business has been forced on the broking community there and

the reverberations are still being felt. If at the end of the day the American investor gets a more efficient and, in many cases, cheaper service, the SEC will have achieved its aim, even if the institutional investor has benefited at the expense of the individual.

The fear is that the same sort of thinking could begin to take hold here. Institutional investors may agree, now, and straw poles suggest that this is so—that negotiated rates could wreck the market as we know it by rendering the jobbing system obsolete and at the same time forcing brokers to compete for business in a cut-throat climate. But if negotiated rates are imposed, institutions would be bound to seek the best deal on behalf of the people who invest with them. In the case of some institutions that would, indeed, be their fiduciary duty.

So, under competitive commissions, the choice for an institution would be between quick and cheap trading (a service offered by the so called execution boutiques in New

York) and a total package—competitive rates, plus something else, usually top class research work.

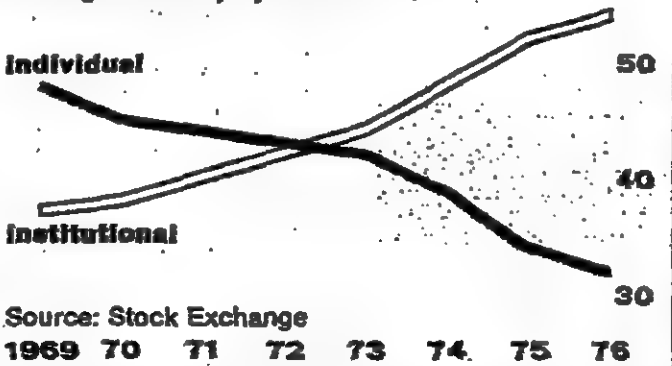
The decision for an institution would therefore be a fairly clear one, whereas one must adopt a policy of sharing their commissions among as wide a range of brokers as possible, partly on the view that they prefer to keep as many options open as possible and partly because they believe that they are helping to keep the market intact.

Yet few people even within the Stock Exchange would deny that there seems an impossible task. So many factors, let alone another bear market, suggest that membership of the Stock Exchange is bound to contract during the next five years. The crucial question is whether that contraction can be achieved in an orderly atmosphere.

Andrew Goodrick-Clarke
Financial Editor

AN INSTITUTIONAL MARKET

Percentage growth of institutional holdings in the equity market



Business Diary in Europe: Coming to terms with the Poles

The Department of Industry is pulling out the stops today to celebrate the conclusion of the £115m Anglo-Polish shipbuilding deal. The signing ceremony is taking place in the elegant surroundings of Lancaster House, the government showplace, followed by a reception.

Orders of this size don't come the way of the British shipbuilding industry very often and in spite of those critics who complain that the Poles are being handed over-generous terms, Eric Varley, the Industry Secretary, and one of his ministers, Gerald Kaufman, will be present today to wave the flag.

They will be joined by Michael Casey, chief executive of British Shipbuilders who has been doing much of the haggling with the Poles in recent months, and Ron Dearing, the deputy secretary at the Industry Department in charge of shipbuilding.

A delegation of Polish technical experts was in London last week to finalise the deal and they will be joined today by senior Polish ministers.

The two sides have been negotiating since last December and, according to British Shipbuilders, have become the best of friends. There is a good chance of a private, and less formal, get-together tonight.

But after today's congratulations have died away, the Prime Minister, who got lots of applause at the Labour Party conference when he announced the imminent conclusion of the deal, will have to face the scepticism of some MPs.

One Tory member has accused the Government of

winning "these Communist orders" only by dint of subsidies.

Almost £30m of taxpayers' money, from the shipbuilding intervention fund, is being poured in and the Poles are getting what amounts to 100 per cent credit.

Another question is who is going to build the 24 ships? The answer may leave workers at many of the country's hard-pressed ship yards angry and disappointed.

There are already suggestions that up to 15 of the ships could go to one yard, Govan, which would upset workers in many other yards in the recently nationalised industry.

Officially it is Casey who decides what goes where, but with a general election brewing, it will be surprising if there isn't as much political interest in the fulfilling, as in the winning of the order.

Hopes that Britain can carve a share in the development of the Caspian Sea are pinned on the visit by the First Deputy Minister of the Russian Oil Industry, Viktor Mischenko, who arrived in Scotland last night.

Mischenko heads a delegation of more than a dozen Russian Government officials at talks today with the International Offshore Consortium (IOC) made up of BP, Brown and Root, and Wm. Lewis. He will meet Dickson Mabson, Minister of State for Energy.

The contracts for the development of Baku could be worth \$150m (£82m) and the IOC con-



Hollowood

clude that Britain could win half of them, yet another indication that British oil interests are not confined to the North Sea.

The Russian party will be flown by helicopter to the BP Festival Field which is producing about half a million barrels of oil a day.

On Wednesday the Russians are to tour the Highlands Fabricators yards at Nigg, on Cromarty Firth, where three production platforms have been completed and a fourth is under construction, all for the British sector of the North Sea.

The McDermott yard at Ardersier near Inverness, one of the most successful yards at providing offshore ironmongery for the overseas oil industry, will be the venue on Thursday and Friday.

McDermott with Mitsubishi are contenders for the Baku contracts, but the strongest bid

so far is said to have come from the IOC consortium.

It seems you can't keep Herfordshire Chamber of Commerce down—not for long, anyway.

Earlier this year they had the enterprising idea of running a daily air service between Luton and Brussels for the exclusive use of its member companies, especially exporters.

No go, said the Civil Aviation Authority. Neither the chamber nor its operating company, Cabot, an air charter company, held the necessary licences.

Last week, however, the chamber—or a small part of it—took to the air for a series of short demonstration flights in the Piper Navajo aircraft they intend to use for the daily service.

Copenhagen's reputation as the EEC's answer to Sodom and Gomorrah is in need of some revision. The number of pornographic book shops has declined—though those that remain cater to an unparalleled range of sexual eccentricity, including a peculiar Danish preoccupation with the libidinous possibilities of fish.

Instead of legal restriction on these shops the Danes wisely allow good old market forces to run their course with the result that oversupply has been followed by a drop in demand. The famous "live sex shows", which drew the meagre attention of Lord Longford a few years back, have virtually disappeared.

The authorities hit on the cunning wheeze of ruling that such shows can only be staged on premises registered as theatres. This effectively put most of the back-lash operators out of business as they could not afford the installation of toilets, fire escapes and other facilities to qualify for theatrical status.

"Kwik Save plans to start trading in South and South East of England"

Extracts from the Chairman's Statement

Turnover increased from £91.9m in 1976 to £152.4m in the year just ended, an improvement of 66%.

Net profit before taxation amounted to £8,670,000 compared with £5,251,000 in the previous year, an increase of 64%. 31 new stores were opened to make a total of 124 stores at 27th August, 1977, thereby increasing the net selling area to 824,000 sq. ft. (1976 641,000 sq. ft.). Our expansion in the present financial year will continue again mainly in the Midlands, South West and South Wales.

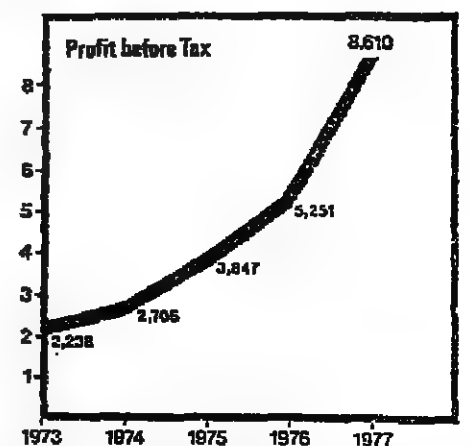
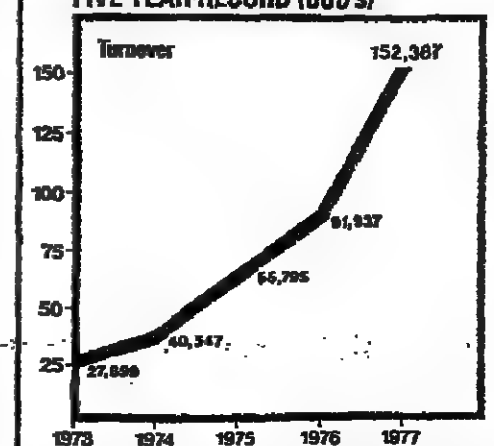
To meet this expansion, we have acquired a

long leasehold site at Swindon, close to the M4 Motorway, on which we are building a fourth warehouse due to open in July 1978. This warehouse will facilitate our expansion into the South West and our plans to start trading in the South and South East of England.

Sales to date show a satisfactory increase in monetary and volume terms. The increase in our market share and in our profits indicates that our policy of permanent discounts on all goods sold remains in the interest both of our customers and our shareholders.

"We look forward to another good year"

FIVE YEAR RECORD (000's)



KWIK SAVE DISCOUNT GROUP LIMITED

Copies of the report and accounts available from the Company Secretary, Warren Drive, Prescote, Chwyd LL19 7IU

Appointments Vacant also on pages 24, 25 and 27

Economist in Government Research £2,295-£8,075 (plus supplements)

Applications are invited from both men and women for posts in the Economic and Statistics Division of the Department of Agriculture.

DEPUTY CHIEF AGRICULTURAL ECONOMIST

The successful applicant will be expected to undertake research and supervise official investigations in one or more of the following fields:-

Farm production economics and farm income studies, the statistics of the agricultural industry in Northern Ireland, agricultural marketing.

The successful candidate may also be required to undertake lecturing duties in the Faculty of Agriculture and Food Science, the Queen's University, Belfast.

Applicants must have:-
1st or 2nd Class Honours Degree and preferably a higher degree qualification in Agricultural Economics, Economics, Agriculture or a related subject; or A Higher Degree in Agricultural Economics, Economic Statistics, Marketing or a related subject.
Considerable experience of research or official enquiries in Agricultural Economics or Statistics is required together with administrative ability.

AGRICULTURAL ECONOMISTS/ ASSISTANT AGRICULTURAL ECONOMISTS

The successful applicants will be required to carry out official investigations and analyses and undertake research concerning agricultural structure, production incomes or market sectors.

Applicants must have:-
1st or 2nd Class Honours Degree in Agricultural Economics, Agriculture or a related subject; or A Higher Degree in Agricultural Economics, Economic Statistics or a related subject.

For appointment at Agricultural Economist level at least 2 years' relevant post-graduate research or experience of agricultural economic or statistical investigations will be required. Appointment will otherwise be at Assistant Agricultural Economist level. The successful candidates may also be required to undertake lecturing duties in the Faculty of Agriculture and Food Science, the Queen's University, Belfast.

SALARY SCALES

Deputy Chief Agricultural Economist ... £5,466-£8,075
Agricultural Economist ... £3,321-£5,778
Assistant Agricultural Economist ... £2,295-£3,100

Grading and starting salary will be related to qualifications and experience.

In addition to the salary scales quoted pay supplements of between £310.59 and £522.00 per annum will be payable.

Please write or telephone for an application form and further details quoting reference 58 307/77/I, to the Civil Service Commission, Northern Ireland, Upper Newswater Road, Belfast, BT4 3NR (telephone Dundonald 4385 ext 257). Completed forms must be returned to arrive not later than 13th December 1977.

NORTHERN IRELAND CIVIL SERVICE

SOUTH OF SCOTLAND ELECTRICITY BOARD

DIRECTOR OF ENGINEERING

The Board wishes to appoint a Director of Engineering to direct the management of its engineering activities. The Board operates a power system of 7,600 MW comprising nuclear, conventional and hydro plant in South Scotland to serve a million and a half consumers. Staff numbers are 14,000 and annual turnover £400m.

The Director of Engineering is one of a small top management team controlling all aspects of the Board's activities. He/she will be expected to give special attention to:

- Working up recently commissioned and existing generating plant to a high availability and the efficient operation of the Board's system.
- Planning and construction of new power stations and development of the Transmission and Distribution Systems.

This is a challenging appointment for a professionally qualified engineer, preferably not more than 55 years of age, with extensive experience in the electricity supply or heavy engineering industries.

The salary will be in the region of £15,000 per annum.

Applications should be sent to the Chairman, South of Scotland Electricity Board, Cathcart House, Inverhall Avenue, Glasgow G44 4BE not later than 5th December, 1977.

CLAIMS EXECUTIVE

This is an excellent opportunity with a leading Protection and Indemnity Club in the City. Applicants should be under 30 and preferably with legal and/or marine claims handling experience. Above-average salary paid for hard work and exceptional ability. Please write to Box 0008 K, The Times.

Drug Research in West Berlin

A physician with scientific background, experience in clinical pharmacology and/or psychiatry and a good knowledge of German is sought for a permanent position involving the development of neuro-psychopharmacological substances.

Please send curriculum vitae and a list of publications and lectures. Experience in drug development would be useful, but is not a necessity.

SCHERING AG, Personalabteilung Berlin, Müllerstrasse 170-178, 1000 Berlin 65

ASSISTANT OFFICE MANAGER/MANAGERESS

required E.C.3

Knowledge bookkeeping, good administrative and typing skills. Salary £25,000-£35,000 - rising July 1978. Pension (Registration Council) - 01-033 8824.

01-623 5474

GENERAL VACANCIES

YOUNG GRADUATE or HND with very large London insurance group. Will be trained in very good prospects. Salary £25,000-£35,000 - rising July 1978. Pension (Registration Council) - 01-033 8824.

SKILLS - Full and part time SKI instructors wanted for Bournemouth and the Continent. Please phone Peter King, 01-940 7782.

FINANCIAL NEWS

Food and property is guideline to investors

Foods and property shares should feature high on the shopping list of investors guided by two quarterly reviews from Vickers, de Costa. For a long hard look at these sectors by the brokers has resulted in a couple of rather bullish circulars.

In particular, analyst Mr T. J. Potter recommends food manufacturing. The outlook for retail food prices is much brighter than it has been for some time, Mr Potter says. And the easing of pressures on commodity costs linked to a recovery in consumer spending should lead to a marked revival of investment interest in this sector next year.

An upturn in real incomes, resulting in improving margins and increasing profits, should see it performing at least as

Brokers' views

well as the market for the remainder of this year while the relative strength will become increasingly apparent as 1978 progresses.

Specifically, Mr Potter gives "buy" recommendations to United Biscuits, Cadbury Schweppes and Basset, one of the smaller companies in the sector.

Though only having a market capitalisation of £16.5m Basset is set for a period of useful growth according to Mr Potter.

Diversification measures, mainly into the wholesaling trade, should help to keep profits on a rising track as well as providing some offset to the effects on the main business of a rise in competition from the chocolate confection

tioner, anticipated for next year.

Unilever should also benefit from a rise in consumer spending and the shares, weak for the past 12 months, should begin to reflect the more promising operating climate.

However, minus signs are given by the analyst to Rowntree Mackintosh, Spillers, Tate & Lyle and, in the longer-term, Brooke Bond Lidsig.

Vickers' other quarterly review sent out this week looks at property shares. Analyst Mr G. G. Ireland and economist Mr P. G. R. Lyon are not so confident of their sector as Mr Potter is of his but, nonetheless, recommend that investors have at least an average weighting - around 15 per cent - of industrial property shares in their portfolios.

They expect to take a more positive stance on this sector before the next Budget.

Anticipating industrial rents rising 50 per cent by 1980, they are backing recovery situations for the major price gains; in particular British Land, Brixton Estate, Haslemere Estates, MBPC, and Slough Estates.

Turning to Government bonds, Mr Peter Scott editor of the *Seabag Gilt Edged Review* takes a cautious short term view. There is not much cash in the institutional pockets and he advises investors to buy only during setbacks.

The disquieting growth in the money supply, spotlighted by last week's figures, has led to a rising rate of inflation. The introduction of Special Deposits and the "corset". And he points out that the authorities now have a valid excuse for this reversal of their previous policy since the blame can be laid upon the private rather than the public sector.

Alison Mitchell

United City Merchants still pushing ahead

Since the end of the year to June 30, turnover of United City Merchants continues at a "very satisfactory" level. So writes Mr Eric Somow, the chairman, in his annual report.

Judging by the management returns, he can foresee further progress for the current half-year and hopes that UCM will continue to trade successfully and achieve still higher records.

AMPEX

An 80 per cent increase in net earnings for the second quarter ended October 25 to \$5.5m or 47 cents per share is reported by Amper Corp of the United States.

HAZLEWOODS

Turnover for period to October 2, £2.25m. Pre-tax profit, £205,000. Chairman of Hazlewoods (Proprietor) says he is confident that the company is achieving a high level of performance in the current period.

M. P. KENT

At the annual meeting, the chairman said that the company's current position shows a slight improvement in house sales and margins.

ANTOPAGASTA (CHILI)

It now appears certain that after changing depreciation and monetary correction, a loss will be incurred on the operations in 1977. The chairman, Mr G. S. Stone, the chairman of Antopagasta (Chili) and Bolivia Railway.

JOHN DICKINSON

With the continuing development of John Dickinson, it has been decided that there will be considerable benefits in restructuring the company as two separate businesses within the Dickinson Robinson Group. This, effective from January 1, 1978, the present business of John Dickinson will be divided into John Dickinson Stationery and John Dickinson Paper & Board.

DAIVA SEIKO, INC.

Daiva Seiko, Inc. announces that arrangements are in progress through Daiva Europe NV, Robert Fleming & Co., Glasgow, to acquire 50 per cent of the common stock of 50 Yen per share par value evidenced by European depositary receipts by means of a public offering in international markets.

ORIENT LEASING

Caribbean NV reports that it has offered US\$20m guaranteed notes, due 1984. The expected terms are as follows: interest, 10 per cent; Caribbeens NV, Amount: US\$20m.

W. TYZACK, SONS

Sales of W. Tyzack, Sons & Co. for the year to July 31, £4.33m (£3.82m). But pre-tax profit down from £312,000 to £30,000.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

Lucas to reorganize aircraft business

Lucas Industries' aircraft equipment business, which is the largest of its kind outside the United States, and while holding a world technical lead in a number of fields, is nevertheless passing through a difficult phase. So writes Mr Bernard Scott, the chairman, in his annual report.

During the current year, the board intends to proceed with a major restructuring of this business to provide a sounder base, ready to take advantage of the undoubted opportunities that will be available, declares Mr Scott.

Looking to the group prospects for this year it can be said that while the general world economic scene will not in itself provide any outstanding chances, the Lucas concern still sees plenty of scope for further improving its position by greater penetration of its markets overseas as well as at home.

The technological strength and the commercial skills of Lucas should make this possible and the chairman hopes that the company's overseas contracts which have already been won.

French losses of £1.97m hit Bellway

In spite of Bellway Holdings' turnover expanding from £26.6m to £30.59m in the year to July 31, pre-tax profits slumped from £2.77m to £1.39m. This was after heavier interest payable of £1.18m, against £914,000. There is, however, a slight rise in the total dividend.

The board explains that following its decision to close down operations in France as soon as practicable, the year's figures reflect the board's estimate of losses in France of £1.97m.

The year's tax provision of £1m is in respect of United Kingdom profits and reflects no reduction for the French losses.

Since the publication of last year's accounts, a claim has been submitted to the Inland Revenue that the French subsidiaries were United Kingdom resident companies for the purposes of the year to July 31, 1975, and afterwards.

This claim has not yet been accepted. But if agreed, it would result in substantial reductions, estimated at £500,000 in the provision which have been made for tax in the 1975 and 1976 accounts.

Briefly

British Rail Pension Funds. The board believes that the terms are inadequate and that Edinburgh is attractive to ordinary stockholders as a containing investment.

CORINTHIAN HOLDINGS

Corinthian Holdings has bought from the trustees of G. I. Investment Trust the capital of Town and Central Holdings (Bexley) for £90,000 cash.

ALLIANCE INVESTMENT

Net revenue before tax for half-year to Oct 31, £259,600 (£217,500).

FASHION & GENERAL

Pre-tax profit of Fashion and General Investment for half-year to Sept 30, £70,500 (£51,000). Board expects profit, after tax, for year to show an improvement and to recommend an increase in the final dividend to the maximum allowed.

W. TYZACK, SONS

Sales of W. Tyzack, Sons & Co. for the year to July 31, £4.33m (£3.82m). But pre-tax profit down from £312,000 to £30,000.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

W. TYZACK, SONS

When the year ahead will also be difficult conditions have now improved and the board hopes to report a more satisfactory outcome in the next statement.

The Biko inquest revelations puts damper on S African investments

By his death and the manner of it, single black South African has dealt a major and probably irreversible blow to investment in South Africa, both through the world's stock markets and directly by companies.

The death of Mr Steve Biko, the black consciousness leader, and the subsequent mass arrests and bannings, had a marked impact on the rating of South African shares, particularly when the American ambassador was recalled for consultations.

However, the lurid tale that has been unfolding at Mr Biko's inquest may well have a more profound and lasting impact. It is difficult, but, unfortunately, not impossible to find stock brokers and analysts who make their money mainly from deals in South African shares who have not been deeply shocked and appalled at the evidence presented.

Many institutions in England, and other parts of Europe, and the United States, liquidated their investments in South Africa some time ago and it is inconceivable that more will not follow suit.

If more institutions liquidate their holdings, the gold share market will become more uncertain than it already is, and other shareholders are likely to follow. There may of course be private shareholders who consider the events concerning Mr Biko to be so deplorable that they will sell on principle or sell because they consider that the inquest evidence demonstrates that the situation is inherently more unstable than it was previously thought to be.

In these circumstances, gold shares will fare even worse with the rate of the FT gold index to the gold price declining further. There is a point at which the market will be halted, at least until the

next uproar because of the finely pitched relationship between investors' greed and their fear, as one London broker rather succinctly puts it.

However, the recent argument that South African shares are undervalued and are over discounting the political problems has been somewhat eclipsed. More to the point, has the political situation been fully taken into consideration?

In a recent issue of *Race International* it is suggested that it is not "inconceivable that, under the impending political pressure and resulting publicity, South African shares will be dumped on the open markets". That is putting it more forcefully than most London opinions, but then it can be argued that London has been too close to South Africa

Mining

for a long time and is less able to make necessarily harsh judgments.

However, *Race* newsletter suggests that, after a somewhat circuitous route, buying of South African gold shares would develop at much lower, but unspecified, prices.

The *Race* scenario, after the dumping of South African shares as a fallback position, deals with the political crisis surrounding the international reaction to South Africa's peculiar and unfortunate position in a seismically world, by social buying in gold and platinum futures will continue.

"Such eventually would create chaos in the currency markets leading to an even more overvalued Swiss Franc (which is some way ahead of the pound) and the British pound even more un-

dervalued. With reserves of about \$20,000m, the United Kingdom ranks behind only Saudi Arabia and Japan in surplus deposits.

"Any gold crisis could precipitate the final sell-off in the American stock market and render American-based uranium, copper and gold mining shares interesting speculative vehicles which would be concurrent to major shifts of orders by large users of minerals from Africa to the North American continent.

"Somewhere around the early part of 1978 we feel that a newly elected Western Administration would work out reasonable political accommodations with the quite keenly interested American Government and, by that time, with the world's monetary system demanding gold as a monetary metal at high prices, would render the then cheaper Johannesburg gold share market unusually undervalued."

Such a view is bullish for gold. But while the bulls are in the ascendancy, it is by no means the universal view - there are other more cautious souls about.

But short-term it is bullish for South African gold shares and there is no guarantee that if the shares reach "unusually undervalued" levels that they will climb back to more normal correlations.

In fact it is now virtually impossible to talk in terms of normal correlations because so much has fundamentally altered since the last bull market. Investors still keen on gold should rather turn their attention to the Canadian gold producer - Campbell Red Lake or Dome Mines for example - to avoid the political difficulties of South Africa.

Desmond Quigley

Wood Hall hopes for improvement

Mr Michael Richards, the chairman of Wood-Hall Trust, finds it "near impossible", at this early stage, to make any prediction as to the current year's results.

There is no indication yet of any break in the world recession - the all-important trading factor - and there is uncertainty and lack of confidence as to the economic, trading and other conditions in every country in which the members of the group operate. "Hence, I cannot be optimistic", the chairman tells shareholders in his annual report.

But he is confident, however, that the companies in the group, being engaged in basic and in

certain instances, essential, or even strategic industries and having the strengths of good management and adequate resources, should achieve results equal to or better than their competitors.

Thus, subject to the eventual outcome, if determined in the current year, of the major pipeline claim by Wood Hall Ltd, the chairman expects that in the context of the present difficult conditions, the group results for the current year should be comparable to and, he hopes, better than those shown for the continuing operations last year.

The auditors have qualified the accounts. Note 15 to the accounts states that an Aus-

tralian subsidiary had incurred net unrecovered costs of \$413.23m (£8.62m) to June 30 last on a major contract, now completed, which costs have been included in current year's results.

Claims substantially in excess of these costs have been submitted and cross claims have been notified by the employing authority.

Until the issues concerned have been resolved, say the auditors, it is not possible to assess whether claims ultimately satisfied will be greater or less than the amount of \$413.23m. Solely in view of the uncertainty of the outcome of these claims, the auditors have qualified their report.

Good start to year by Martonair

The current year has again started very well for Martonair International, reports Mr G. Godwin, chairman, in his annual statement. Turnover and sales are at a "high level", both in the United Kingdom and overseas and the board looks forward with confidence to a further improvement in the group's performance in the coming year.

Over 97 per cent of the rights of new ordinary shares made in May was taken up by shareholders, resulting in an increase in the company's capital to £1.5m by the creation of 750,000 11p each (net) cumulative 21 preference shares and to make a scrip issue in preference shares on the basis of one new preference for every two ordinary shares held. The proposed issue is conditional on shareholder approval and clearance from the Inland Revenue.

Coffee producers prod the ICO into a review of price levels

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1601 UV-Visible Spectrophotometer.

Educational & Public Appointments

THE OPEN UNIVERSITY
Regional Director (London)

Applications are invited for the post of Regional Director (London) of the Open University. The person appointed will be responsible for the London Region of the Open University, which comprises the Greater London Area. The person appointed will be responsible for the London Region of the Open University, which comprises the Greater London Area. The person appointed will be responsible for the London Region of the Open University, which comprises the Greater London Area.

University of Auckland
SCHOOL OF MEDICINE

The University of Auckland School of Medicine is seeking applications for the post of Lecturer in Paediatrics. The successful candidate will be responsible for the teaching and supervision of medical students in the field of paediatrics. The person appointed will be responsible for the teaching and supervision of medical students in the field of paediatrics.

University of Hull
DEPARTMENT OF LAW

The University of Hull Department of Law is seeking applications for the post of Lecturer in Law. The successful candidate will be responsible for the teaching and supervision of law students. The person appointed will be responsible for the teaching and supervision of law students.

University of Stirling
DEPARTMENT OF SOCIOLOGY

The University of Stirling Department of Sociology is seeking applications for the post of Research Assistant. The successful candidate will be responsible for assisting in research projects. The person appointed will be responsible for assisting in research projects.

University of Canterbury
LECTURER IN FORESTRY

The University of Canterbury is seeking applications for the post of Lecturer in Forestry. The successful candidate will be responsible for the teaching and supervision of forestry students. The person appointed will be responsible for the teaching and supervision of forestry students.

University of Bristol
DEPARTMENT OF BIOCHEMISTRY

The University of Bristol Department of Biochemistry is seeking applications for the post of Lecturer in Biochemistry. The successful candidate will be responsible for the teaching and supervision of biochemistry students. The person appointed will be responsible for the teaching and supervision of biochemistry students.

University of Aston
DEPARTMENT OF GEOLOGICAL SCIENCES

The University of Aston Department of Geological Sciences is seeking applications for the post of Lecturer in Geological Sciences. The successful candidate will be responsible for the teaching and supervision of geological sciences students. The person appointed will be responsible for the teaching and supervision of geological sciences students.

City of London School
BURSAR

The City of London School is seeking applications for the post of Bursar. The successful candidate will be responsible for the financial management of the school. The person appointed will be responsible for the financial management of the school.

St. Mary's Hospital Medical School
(University of London)
ASSISTANT DIRECTOR — METABOLIC UNIT

Applications are invited for the post of Assistant Director (Metabolic Unit) at St. Mary's Hospital Medical School. The successful candidate will be responsible for the day-to-day running of the metabolic unit. The person appointed will be responsible for the day-to-day running of the metabolic unit.

UNIVERSITY OF YORK
VICE-CHANCELLOR

The University of York is seeking applications for the post of Vice-Chancellor. The successful candidate will be responsible for the overall management of the university. The person appointed will be responsible for the overall management of the university.

University College London
TRANSPORT STUDIES GROUP

University College London Transport Studies Group is seeking applications for the post of Research Assistant. The successful candidate will be responsible for assisting in research projects. The person appointed will be responsible for assisting in research projects.

Guy's Hospital Medical School
RESEARCH ASSISTANT

Guy's Hospital Medical School is seeking applications for the post of Research Assistant. The successful candidate will be responsible for assisting in research projects. The person appointed will be responsible for assisting in research projects.

University of Queensland
LECTURER IN FINE ARTS

The University of Queensland is seeking applications for the post of Lecturer in Fine Arts. The successful candidate will be responsible for the teaching and supervision of fine arts students. The person appointed will be responsible for the teaching and supervision of fine arts students.

University of Stirling
DEPARTMENT OF SOCIOLOGY

The University of Stirling Department of Sociology is seeking applications for the post of Research Assistant. The successful candidate will be responsible for assisting in research projects. The person appointed will be responsible for assisting in research projects.

University of Canterbury
LECTURER IN FORESTRY

The University of Canterbury is seeking applications for the post of Lecturer in Forestry. The successful candidate will be responsible for the teaching and supervision of forestry students. The person appointed will be responsible for the teaching and supervision of forestry students.

University of Bristol
DEPARTMENT OF BIOCHEMISTRY

The University of Bristol Department of Biochemistry is seeking applications for the post of Lecturer in Biochemistry. The successful candidate will be responsible for the teaching and supervision of biochemistry students. The person appointed will be responsible for the teaching and supervision of biochemistry students.

University of Aston
DEPARTMENT OF GEOLOGICAL SCIENCES

The University of Aston Department of Geological Sciences is seeking applications for the post of Lecturer in Geological Sciences. The successful candidate will be responsible for the teaching and supervision of geological sciences students. The person appointed will be responsible for the teaching and supervision of geological sciences students.

ASSOCIATION OF COUNTY COUNCILS
Appointment of
ASSISTANT SECRETARY

The Association of County Councils is seeking applications for the post of Assistant Secretary. The successful candidate will be responsible for the day-to-day running of the association. The person appointed will be responsible for the day-to-day running of the association.

UNIVERSITY APPOINTMENTS IN
NEW NIGERIAN UNIVERSITIES

The University of Nigeria is seeking applications for various posts in its new universities. The successful candidates will be responsible for the teaching and supervision of students. The person appointed will be responsible for the teaching and supervision of students.

UNIVERSITY OF OXFORD
HOPE PROFESSORSHIP OF ZOOLOGY

The University of Oxford is seeking applications for the post of Hope Professorship of Zoology. The successful candidate will be responsible for the teaching and supervision of zoology students. The person appointed will be responsible for the teaching and supervision of zoology students.

University of Birmingham
LECTURER IN MANUFACTURING SYSTEMS

The University of Birmingham is seeking applications for the post of Lecturer in Manufacturing Systems. The successful candidate will be responsible for the teaching and supervision of manufacturing systems students. The person appointed will be responsible for the teaching and supervision of manufacturing systems students.

UNIVERSITY OF OXFORD
Lecturer in Zoology

The University of Oxford is seeking applications for the post of Lecturer in Zoology. The successful candidate will be responsible for the teaching and supervision of zoology students. The person appointed will be responsible for the teaching and supervision of zoology students.

The University of Leeds
TRAVEL TIME AND MONEY EXPENDITURE

The University of Leeds is seeking applications for the post of Research Assistant. The successful candidate will be responsible for assisting in research projects. The person appointed will be responsible for assisting in research projects.

The History of Parliament Trust
SECRETARY TO THE EDITORIAL BOARD

The History of Parliament Trust is seeking applications for the post of Secretary to the Editorial Board. The successful candidate will be responsible for the day-to-day running of the trust. The person appointed will be responsible for the day-to-day running of the trust.

University of Bristol
DEPARTMENT OF BIOCHEMISTRY

The University of Bristol Department of Biochemistry is seeking applications for the post of Lecturer in Biochemistry. The successful candidate will be responsible for the teaching and supervision of biochemistry students. The person appointed will be responsible for the teaching and supervision of biochemistry students.

University of Aston
DEPARTMENT OF GEOLOGICAL SCIENCES

The University of Aston Department of Geological Sciences is seeking applications for the post of Lecturer in Geological Sciences. The successful candidate will be responsible for the teaching and supervision of geological sciences students. The person appointed will be responsible for the teaching and supervision of geological sciences students.

UNIVERSITY OF CAPE COAST, GHANA
DEPARTMENT OF CLASSICS
Professor/Associate Professor
Lecturers/Assistant Lecturers

The University of Cape Coast, Ghana is seeking applications for various posts in its Department of Classics. The successful candidates will be responsible for the teaching and supervision of classics students. The person appointed will be responsible for the teaching and supervision of classics students.

UNIVERSITY APPOINTMENTS IN
NEW NIGERIAN UNIVERSITIES

The University of Nigeria is seeking applications for various posts in its new universities. The successful candidates will be responsible for the teaching and supervision of students. The person appointed will be responsible for the teaching and supervision of students.

UNIVERSITY OF ZAMBIA
SCHOOL OF NATURAL SCIENCES

The University of Zambia is seeking applications for various posts in its School of Natural Sciences. The successful candidates will be responsible for the teaching and supervision of natural sciences students. The person appointed will be responsible for the teaching and supervision of natural sciences students.

University of Botswana
and Swaziland
Catalographer

The University of Botswana and Swaziland is seeking applications for the post of Cataloguer. The successful candidate will be responsible for the day-to-day running of the library. The person appointed will be responsible for the day-to-day running of the library.

Australian Graduate School of Management
Sydney, Australia

The Australian Graduate School of Management is seeking applications for various posts. The successful candidates will be responsible for the teaching and supervision of management students. The person appointed will be responsible for the teaching and supervision of management students.

University of Cambridge
ASSISTANT LECTURESHIP

The University of Cambridge is seeking applications for the post of Assistant Lectureship. The successful candidate will be responsible for the teaching and supervision of students. The person appointed will be responsible for the teaching and supervision of students.

University of Edinburgh
DEPARTMENT OF PATHOLOGY
RESEARCH ASSOCIATE OR FELLOW

The University of Edinburgh Department of Pathology is seeking applications for the post of Research Associate or Fellow. The successful candidate will be responsible for assisting in research projects. The person appointed will be responsible for assisting in research projects.

University of Cambridge
NORRIS-HULSE PROFESSORSHIP OF DIVINITY

The University of Cambridge is seeking applications for the post of Norris-Hulse Professorship of Divinity. The successful candidate will be responsible for the teaching and supervision of divinity students. The person appointed will be responsible for the teaching and supervision of divinity students.

University of Nottingham
DEPARTMENT OF ELECTRICAL AND ELECTRONIC ENGINEERING

The University of Nottingham Department of Electrical and Electronic Engineering is seeking applications for various posts. The successful candidates will be responsible for the teaching and supervision of electrical and electronic engineering students. The person appointed will be responsible for the teaching and supervision of electrical and electronic engineering students.

LAMSAC
LOCAL AUTHORITIES MANAGEMENT SERVICES
AND COMPUTER COMMITTEE

LAMSAC is seeking applications for various posts in its Local Authorities Management Services and Computer Committee. The successful candidates will be responsible for the day-to-day running of the committee. The person appointed will be responsible for the day-to-day running of the committee.

ASSISTANT DIRECTOR
(PURCHASING)

LAMSAC is seeking applications for the post of Assistant Director (Purchasing). The successful candidate will be responsible for the day-to-day running of the purchasing department. The person appointed will be responsible for the day-to-day running of the purchasing department.

ST. JOHN'S BEAUMONT, OLD WINDSOR, BERKS.
The Governors of Stonyhurst Catholic School

St. John's Beaumont, Old Windsor, Berks. is seeking applications for various posts in its Stonyhurst Catholic School. The successful candidates will be responsible for the teaching and supervision of students. The person appointed will be responsible for the teaching and supervision of students.

University of Durham
DEPARTMENT OF CHEMISTRY

The University of Durham Department of Chemistry is seeking applications for various posts. The successful candidates will be responsible for the teaching and supervision of chemistry students. The person appointed will be responsible for the teaching and supervision of chemistry students.

University of London
LONDON SCHOOL OF ECONOMICS

The University of London London School of Economics is seeking applications for various posts. The successful candidates will be responsible for the teaching and supervision of economics students. The person appointed will be responsible for the teaching and supervision of economics students.

University of London
THE MORRIS GINSBERG FELLOWSHIP IN SOCIOLOGY

The University of London is seeking applications for the post of Morris Ginsberg Fellowship in Sociology. The successful candidate will be responsible for the day-to-day running of the fellowship. The person appointed will be responsible for the day-to-day running of the fellowship.

University of Hong Kong
SENIOR LECTURESHIP IN COMMUNITY MEDICINE

The University of Hong Kong is seeking applications for the post of Senior Lectureship in Community Medicine. The successful candidate will be responsible for the teaching and supervision of community medicine students. The person appointed will be responsible for the teaching and supervision of community medicine students.

University of Bath
Applications are invited for a LECTURER

The University of Bath is seeking applications for the post of Lecturer. The successful candidate will be responsible for the teaching and supervision of students. The person appointed will be responsible for the teaching and supervision of students.

University of Bristol
CHAIR IN ANATOMY

The University of Bristol is seeking applications for the post of Chair in Anatomy. The successful candidate will be responsible for the teaching and supervision of anatomy students. The person appointed will be responsible for the teaching and supervision of anatomy students.

Appointments Vacant

Various appointments are vacant across different institutions. Interested parties should contact the relevant institutions for more information.

Social Work
Education Adviser/
Information Officer
(CARDIFF)

The Social Work Education Adviser/Information Officer (Cardiff) is seeking applications. The successful candidate will be responsible for providing advice and information to social workers. The person appointed will be responsible for providing advice and information to social workers.

Leading Brazilian consultant engineering
company specialized in Chemical and petro-
chemical field requires

A leading Brazilian consultant engineering company is seeking applications for various posts in its Chemical and petrochemical field. The successful candidates will be responsible for the day-to-day running of the company. The person appointed will be responsible for the day-to-day running of the company.

5 SENIOR DRAUGHTSMEN
having minimum 8 years sound experience
in industrial piping. Starting salary according
to experience but not less than US\$1,500.
Knowledge of English essential. German,
Portuguese or Spanish languages desirable.
Applications to be sent to: ICEM, 16 Avenue
Jean Tremblay, 1211 Genève 19.

Applications to be sent to: ICEM, 16 Avenue Jean Tremblay, 1211 Genève 19.

RENTALS

LONDON DISTRICTS NORTH OF THE THAMES
4 North Street, Hampstead Village, N.W. 3
Telephone 01-774 5125

REGENTS PARK & second floor flat in one of the handsome terraces these being immediately accessible to the West End Park & the Regent's Park. Living room, dining room and fully equipped kitchen. Two bedrooms, one with dressing room. Bath, toilet, etc. £70 p. mth. plus at only £70 p. mth.

WIMBORNE - a charming detached house are talking to their host for a year from mid-Dec and seek a family to enjoy and care for their lovely garden and house. The house is a large detached house with a dining room with unusual Italian tiled walls and windows, with a kitchen, two bedrooms and bathroom. Call Integrated Agency, £50 p. mth.

WEST END - a charming detached house in a quiet residential area, situated in a large house, in this second floor flat which is tastefully furnished. The house is a large detached house with a dining room with tiled walls and dining alcove to seat 8. Two bedrooms, one with dressing room. Bath, toilet, etc. £70 p. mth. plus at only £70 p. mth.

WIMBORNE - Our property, which takes the world during first months of the year, is a large detached house in a quiet residential area, situated in a large house, in this second floor flat which is tastefully furnished. The house is a large detached house with a dining room with tiled walls and dining alcove to seat 8. Two bedrooms, one with dressing room. Bath, toilet, etc. £70 p. mth. plus at only £70 p. mth.

[illegible][illegible][illegible][illegible]

W.3.—Super flat in modern block
2 bed., 1 recept., well equipped
kitchen and bath. 3 months plus.
L.O.S. 1000. 1000. 1000. 1000. 1000.
c.h., shower room and bath.
Superb. Short or long let neg.
from £155 p.w.—WJH 3948.

[illegible][illegible][illegible]

W. SUSSEX, G.W. W.D. 2900, A.
M. 1955, 1956, 1957, 1958, 1959,
months. 2165, P.W. 1961, 1962, 1963,
1964, 1965, 1966, 1967, 1968, 1969,
1970, 1971, 1972, 1973, 1974, 1975,
1976, 1977, 1978, 1979, 1980, 1981,
1982, 1983, 1984, 1985, 1986, 1987,
1988, 1989, 1990, 1991, 1992, 1993,
1994, 1995, 1996, 1997, 1998, 1999,
2000, 2001, 2002, 2003, 2004, 2005,
2006, 2007, 2008, 2009, 2010, 2011,
2012, 2013, 2014, 2015, 2016, 2017,
2018, 2019, 2020, 2021, 2022, 2023,
2024, 2025, 2026, 2027, 2028, 2029,
2030, 2031, 2032, 2033, 2034, 2035,
2036, 2037, 2038, 2039, 2040, 2041,
2042, 2043, 2044, 2045, 2046, 2047,
2048, 2049, 2050, 2051, 2052, 2053,
2054, 2055, 2056, 2057, 2058, 2059,
2060, 2061, 2062, 2063, 2064, 2065,
2066, 2067, 2068, 2069, 2070, 2071,
2072, 2073, 2074, 2075, 2076, 2077,
2078, 2079, 2080, 2081, 2082, 2083,
2084, 2085, 2086, 2087, 2088, 2089,
2090, 2091, 2092, 2093, 2094, 2095,
2096, 2097, 2098, 2099, 2100, 2101,
2102, 2103, 2104, 2105, 2106, 2107,
2108, 2109, 2110, 2111, 2112, 2113,
2114, 2115, 2116, 2117, 2118, 2119,
2120, 2121, 2122, 2123, 2124, 2125,
2126, 2127, 2128, 2129, 2130, 2131,
2132, 2133, 2134, 2135, 2136, 2137,
2138, 2139, 2140, 2141, 2142, 2143,
2144, 2145, 2146, 2147, 2148, 2149,
2150, 2151, 2152, 2153, 2154, 2155,
2156, 2157, 2158, 2159, 2160, 2161,
2162, 2163, 2164, 2165, 2166, 2167,
2168, 2169, 2170, 2171, 2172, 2173,
2174, 2175, 2176, 2177, 2178, 2179,
2180, 2181, 2182, 2183, 2184, 2185,
2186, 2187, 2188, 2189, 2190, 2191,
2192, 2193, 2194, 2195, 2196, 2197,
2198, 2199, 2200, 2201, 2202, 2203,
2204, 2205, 2206, 2207, 2208, 2209,
2210, 2211, 2212, 2213, 2214, 2215,
2216, 2217, 2218, 2219, 2220, 2221,
2222, 2223, 2224, 2225, 2226, 2227,
2228, 2229, 2230, 2231, 2232, 2233,
2234, 2235, 2236, 2237, 2238, 2239,
2240, 2241, 2242, 2243, 2244, 2245,
2246, 2247, 2248, 2249, 2250, 2251,
2252, 2253, 2254, 2255, 2256, 2257,
2258, 2259, 2260, 2261, 2262, 2263,
2264, 2265, 2266, 2267, 2268, 2269,
2270, 2271, 2272, 2273, 2274, 2275,
2276, 2277, 2278, 2279, 2280, 2281,
2282, 2283, 2284, 2285, 2286, 2287,
2288, 2289, 2290, 2291, 2292, 2293,
2294, 2295, 2296, 2297, 2298, 2299,
2300, 2301, 2302, 2303, 2304, 2305,
2306, 2307, 2308, 2309, 2310, 2311,
2312, 2313, 2314, 2315, 2316, 2317,
2318, 2319, 2320, 2321, 2322, 2323,
2324, 2325, 2326, 2327, 2328, 2329,
2330, 2331, 2332, 2333, 2334, 2335,
2336, 2337, 2338, 2339, 2340, 2341,
2342, 2343, 2344, 2345, 2346, 2347,
2348, 2349, 2350, 2351, 2352, 2353,
2354, 2355, 2356, 2357, 2358, 2359,
2360, 2361, 2362, 2363, 2364, 2365,
2366, 2367, 2368, 2369, 2370, 2371,
2372, 2373, 2374, 2375, 2376, 2377,
2378, 2379, 2380, 2381, 2382, 2383,
2384, 2385, 2386, 2387, 2388, 2389,
2390, 2391, 2392, 2393, 2394, 2395,
2396, 2397, 2398, 2399, 2400, 2401,
2402, 2403, 2404, 2405, 2406, 2407,
2408, 2409, 2410, 2411, 2412, 2413,
2414, 2415, 2416, 2417, 2418, 2419,
2420, 2421, 2422, 2423, 2424, 2425,
2426, 2427, 2428, 2429, 2430, 2431,
2432, 2433, 2434, 2435, 2436, 2437,
2438, 2439, 2440, 2441, 2442, 2443,
2444, 2445, 2446, 2447, 2448, 2449,
2450, 2451, 2452, 2453, 2454, 2455,
2456, 2457, 2458, 2459, 2460, 2461,
2462, 2463, 2464, 2465, 2466, 2467,
2468, 2469, 2470, 2471, 2472, 2473,
2474, 2475, 2476, 2477, 2478, 2479,
2480, 2481, 2482, 2483, 2484, 2485,
2486, 2487, 2488, 2489, 2490, 2491,
2492, 2493, 2494, 2495, 2496, 2497,
2498, 2499, 2500, 2501, 2502, 2503,
2504, 2505, 2506, 2507, 2508, 2509,
2510, 2511, 2512, 2513, 2514, 2515,
2516, 2517, 2518, 2519, 2520, 2521,
2522, 2523, 2524, 2525, 2526, 2527,
2528, 2529, 2530, 2531, 2532, 2533,
2534, 2535, 2536, 2537, 2538, 2539,
2540, 2541, 2542, 2543, 2544, 2545,
2546, 2547, 2548, 2549, 2550, 2551,
2552, 2553, 2554, 2555, 2556, 2557,
2558, 2559, 2560, 2561, 2562, 2563,
2564, 2565, 2566, 2567, 2568, 2569,
2570, 2571, 2572, 2573, 2574, 2575,
2576, 2577, 2578, 2579, 2580, 2581,
2582, 2583, 2584, 2585, 2586, 2587,
2588, 2589, 2590, 2591, 2592, 2593,
2594, 2595, 2596, 2597, 2598, 2599,
2600, 2601, 2602, 2603, 2604, 2605,
2606, 2607, 2608, 2609, 2610, 2611,
2612, 2613,

Saudi Arabia
The third of a series on the
country's key regions

FOCUS ON

a Special Report

The Eastern Province

**Oil wealth . . . gas
gathering . . . Dammam
port . . . Jubail complex**

Power house for new industry

by David Shirreff

Al-Khobar, in Saudi Arabia's Eastern Province, is the most expensive place in the world in which to live, according to a recent survey by Management Information Consulting Associates. It is twice as expensive as London for a married couple with one child to live in, excluding rent and school fees.

But a newcomer expecting a standard of living twice as high as in London would be disappointed. Life is spartan, at least in outward appearance. Any luxuries such as drink, films, sports and other entertainments are kept firmly within the home or company compound.

The inhabitant of Eastern Province is made constantly aware how extreme the elements can be. Humidity, rainstorms, hot winds, and burning heat are followed by industry and cold winter days on the Gulf coast.

But in this province of Saudi Arabia, where most of the exciting industrial development is concentrated, living conditions take second place to the challenge and local rewards of work.

The Eastern Province may be culturally the least well endowed of the three Saudi

regions, but there are signs that this may be gradually changing. Dammam is a functional town, but outside it at Al-Khobar one of the finest buildings in Saudi Arabia was completed in 1972, the University of Petroleum and Minerals.

It rides on a high escarpment some miles from the sea and combines Islamic elements with functional modernity, spacious buildings flanked by tall arched cloisters, and dominated by a central minaret-like clock and water tower.

Unfortunately, there are too few comparable buildings springing up in the rush to develop the economic potential of the region.

In many ways the Eastern Province simply means Aramco, the Arabian American Oil Company, which has shaped the course of life there since 1933. Its demands have furnished a road network, the ports of Ras Tanura and Dammam, a self-contained city at Al-Khobar and a satellite city at Dhahran.

The future shape of the province, however, is being determined by the second five-year development plan which was launched in 1975. The plan stipulates that the Eastern Province will be the

powerhouse of Saudi Arabia's new industry, based on the use of natural gas, which at the moment is simply being flared off or injected into oilfields to maintain pressure.

Aramco has been put in charge of developing these gas resources and with building a pipeline to pump the gas to Jubail farther north up the Gulf coast and across the peninsula to Yenbo on the Red Sea. Jubail and Yenbo are the two industrial centres planned to diversify the Saudi economy.

Another Aramco project is an electricity network to

cover the entire Eastern Province. Aramco is carefully changing itself from a foreign company with four American partners into a state-owned company with foreign elements. That change is being helped by Aramco's broader involvement in the development of the province.

There are other companies and establishments shaping the region's future; the Royal Commission for Yenbo and Jubail is based in Al-Khobar, sharing a building with the Bechtel Corporation of the United States which is helping it to

plan the development of Jubail.

Floor Corporation of the United States has been contracted by Aramco to design the gas-collection project. The heading out of subsidiary contracts is now gathering momentum, and each one requires the import and housing of a self-contained foreign labour force, complete with equipment, entertainment, and food and health facilities.

On either side of the road out of Dammam the construction camps are spreading like miniature nations in the wilderness—Turks here,

Koreans there, Indians, British, Dutch, all with their characteristic comforts to make the place seem more like home.

Such development continues north up the coast, and the latest project is the building of an entire military city at Hafar al-Batin near the Kuwait border. The United States Army Corps of Engineers, which is developing most of the military services in Saudi Arabia, recently contracted an American consortium to build the \$1,000m King Khalid Military City from scratch to house 70,000 people by 1985.

To build it a new port was needed at the nearest

The Safami pipeworks near Dhahran represents an example of an industry serving the oilfields.

point on the Gulf coast. The four-berth port at Ras al-Mishab was completed in July and will use its entire capacity to supply building materials for the city.

The biggest activity is concentrated around Jubail, where three big ports are being built in the middle of nowhere. Koreans, Dutch, Greeks, and British are working round the clock to provide this inlet for material, so that the next phase can start: the building of petrochemical plants,

**. . . agriculture . . . the
search for new minerals
. . . urban explosion**

power and desalination works, a steel mill and related industries.

There are delays in launching these projects. The big gas-collecting scheme has been delayed at least four years, but a visitor to Jubail will see that things are being done, and it is only a matter of time, not money or determination, before Jubail becomes the industrial node it is meant to be.

Jubail was once a small fishing village with a Turkish customs house and a cluster of houses. Other coastal spots like Qatif, Dammam and Ras Tanura have gone through the same process of rapid development, where before there was just a little fishing and small trade with India and other Gulf ports. Inland, life is less changed, except where the oilfields have been developed.

A hundred miles inland is Hofuf, the biggest oasis in Saudi Arabia. It covers 50,000 acres and contains 160,000 people. There are 18,000 miles of irrigation and drainable canals within it.

Before the water system was set up there was actually too much water in Hofuf and the swamps were a breeding ground for malaria mosquitoes and sumps of increasingly briny mud. Although the semi-desert of Eastern Province is poor in minerals there is the occasional gypsum mine.

At Haradh, farther west and on the edge of the desert there is, or was, an experimental sheep-rearing station. The purpose of the project was to develop the local breed of sheep, the sejal, by feeding it high protein alfalfa grown on the farm. But it appears that the

scheme, and plans to train the local Beduin in sheep technology, have been brought to an end. A laconic advertisement in a local English-language paper recently advertised the sale of Haradh's 20,000 nejd sheep.

South of Haradh lies the Empty Quarter, or Rub al-Khali, one of the most forbidding deserts in the world. Workers at the Haradh farm are careful not to stray too far from the low-slung buildings, because once you have lost sight of those, they say, your sense of direction can go completely wild and you will never find them again.

The Rub al-Khali is the home of the hardest Beduin, the al-Murrah tribe. There have been ways across that desert for centuries, but it was only in 1930 that the first white man, Bertram Thomas, travelled across it by camel. He was followed by H. St. John Philby and Wilfred Thesiger. Even now it has seldom been crossed by foreigners, and visitors are discouraged from venturing into it, even with four-wheel drive vehicles.

But Aramco has a programme of exploration there, with test wells in the remotest places. Apart from oil, it is not yet clear whether the Rub al-Khali has much mineral wealth to offer.

Geomarine of the United States has been surveying there for two years and at the beginning of this year two other companies, Petry Ray and the Arab Company of Geophysics, were hired to do seismic studies.

The author is on the staff of the Middle East Economic Digest.



The British Bank of the Middle East

A Member of The Hongkong Bank Group

United Kingdom · Near & Middle East · India · Switzerland

Branches in
SAUDI ARABIA

Jeddah — Alkhobar — Dammam

Head Office
99 Bishopsgate
London EC2P 2LA
Tel: 01-638 2366
Telex: 884293



BANK AL-JAZIRA



*The newest bank
with the
longest experience*

PO Box 6277, Jeddah, Saudi Arabia

Affiliated with the National Bank of Pakistan

FOCUS ON

OIL WEALTH

New finds exceed
rate
of consumption

by Roger Vielvoye

Every year since the Arabian American Oil Company (Aramco) began producing oil from under the deserts of the Eastern Province, the exploration teams have managed to find new reserves that have exceeded the amount of oil pumped out by their colleagues in the production departments.

As output soared over the past few years to reach peaks of 10 million to 11 million barrels a day earlier in the year, exploration work has increased. Aramco estimates that there are 110,200 million barrels of oil, sufficient to keep production running at the present rate of 3,000 million barrels a year for another 36 years.

Proved reserves are those the company is certain can be commercially exploited but the probable reserves—the amount that the company expects could exist but has not yet fully confirmed—stand at 177,500 million barrels, sufficient for 60 years production.

But there are often rumours that actual reserves are well in excess of these official figures. Only further drilling will be able to determine the exact extent of the reserves, particularly those that may lie under the more inaccessible areas of the sands of the Empty Quarter.

Aramco's exploration teams had a remarkable record during 1976. Drilling discovered three new oil fields, two onshore and one offshore. The Suban field is just south of the Trans-Arabian Pipeline—300km from the coast. The Shahrar field lies close to the coast, again on the route of the pipelines linking the Manifa and Safaniya fields.

The offshore field, named Hasbah, lies about 25 miles south-east of the Marjan and Zuluf marine production complexes. In addition, Aramco staff have been evaluating a potential offshore discovery named Qubub.

At Wabhan, a few kilometres east of the Juraybiat field, a discovery made in 1975 was proved as a commercial field. Drilling on the Juraybiat field confirmed that an accumulation at the northern end was in fact a separate field now named Habari. This field also straddles the route of the Trans-Arabian Pipeline.

Seven seismic
crows
at work on land

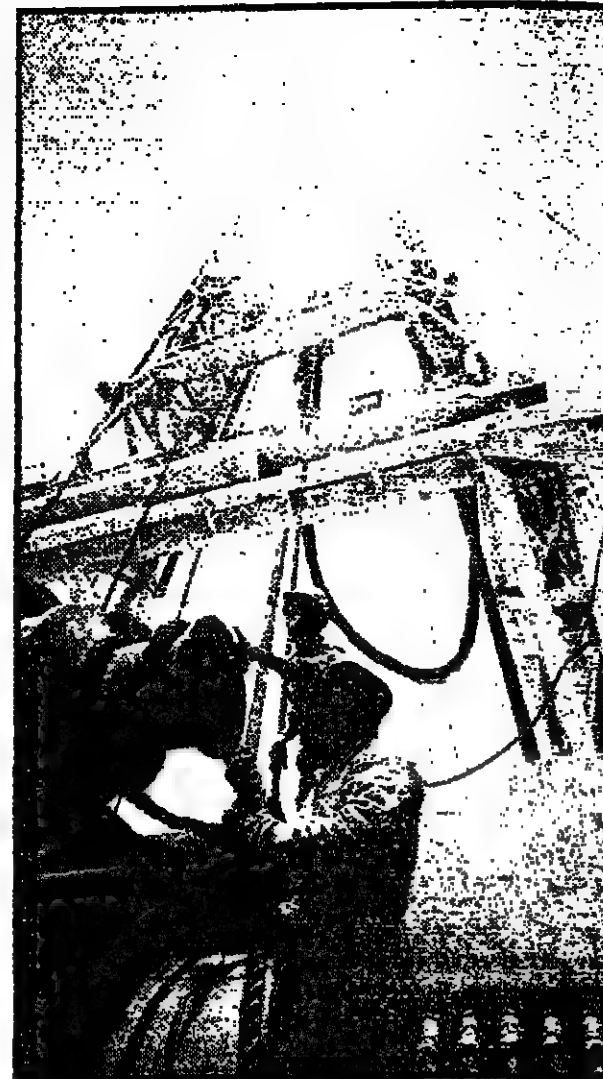
Geophysical exploration activity has also continued at a high level. Seven seismic crews have been at work on land while offshore a detailed seismic survey has begun in deep water to supplement the work already done in the shallower zone.

Reserves can also be expanded by installing additional equipment to ensure that less oil is left in the field. One of the ways of doing this is to inject water into the reservoir. On the massive Ghawar reservoir, Aramco has constructed such a project for the South Othmaniyah and Hawiyah sections of the field to maintain the underground pressure that is so important in keeping a high flow of oil.

The system raises high-salinity aquifer water to the surface by gas lift and then reinjects it into the reservoir. This has involved the construction of six gas compressor stations, 38 gas lift stations, 42 water injection stations and connecting pipelines.

A scheme has also started to inject seawater into the Ghawar field. A seawater intake and treatment plant is under construction at Qurayyah which by mid-1978 should be supplying 4,200,000 barrels a day of treated seawater to the field. This is pumped through 60 miles of 60in and 56in pipelines into the existing water distribution and injection network. The entire system will be computer controlled and its separate components will be linked by microwave communications.

With Saudi production capability close on 12 million barrels a day, and plans being prepared to extend the facilities to 16 million barrels a day, it is important that there is sufficient capacity for exporting the oil. The pipeline across the Arabian peninsula to Yanbu will provide some flexibility as might a projected line through Oman and South Yemen to the Indian Ocean. Meanwhile the terminal at Juyaymah has been expanded by two more single buoy loading moorings and a third crude loading system. Juyaymah can now load three million barrels of oil a day and could handle tankers of up to 700,000 tons if they were built at some time in the future.



Aramco workers sink another well. Left: Ras Tannurah, the country's main oil refinery and port.

It is not just the oil facilities that are expanding quickly in the Eastern Province. Aramco is supervising a massive gas-gathering system and an electrification project while the Jubail industrial complex is scheduled to have a new refinery, petrochemical works and a steel plant, all of which require large amounts of imported plant and equipment.

For its own projects Aramco imported more than a million tons of cargo last year, most of it by sea. To relieve pressure on existing port facilities Aramco expanded the west pier at Ras Tannurah, its main oil exporting terminal. Two large ports were constructed at Juyaymah and Qurayyah and acquired the use of terminals in the United States and marshalling yards exclusively for goods being shipped into Saudi Arabia for use by Aramco.

First signs of progress in the campaign to improve the public services are beginning to emerge. Aramco has completed a 200MW power station at Berri and has started work on an 800MW station at Ghazlan, five miles west of the Juyaymah terminal. Work is also under way on the first part of the 1,350 miles, 230,000-volt transmission line which will become the backbone of the Eastern Province power distribution.

All this work has been undertaken under the supervision of Aramco which has also continued to design and construct urgently required electrification projects requested by the Government for various municipal areas in the Eastern Province.

In addition construction has proceeded on important power generation and transmission facilities which will also become part of the Saudi Consolidated Electric Company (SCECO) for which Aramco is the designated manager and operator.

The gas-gathering line, one of the biggest civil engineering jobs ever attempted, is also placing a considerable strain on the resources of the province. Special camps have been built for the thousands of foreign workers needed to complete the scheme.

Once the gas-gathering line is in operation, there will no longer be any need to flare off much of the gas produced in association with oil. Instead this valuable source of energy will provide the feedstocks for industry, power generations, gas exports. A pipeline to Yanbu will also move some of the gas to the industrial complex on the Red Sea coast.

The main thrust of industrial development in the Eastern Province will be centred on Jubail. A million tons a year steel plant will be built close to a refinery and petrochemical plant in which Shell will have a 50 per cent stake and will act as operator. Exxon, one of the Aramco partners, will also be involved in petrochemicals.

A number of sites have been set aside for manufacturing industry and the site at Dammam is being expanded rapidly as more and more foreign companies are setting up in partnership with Saudi interests to take advantage of the industrial boom in the province.

The pace at which this development continues will be settled by political decisions taken in Riyadh. At the root of the question is how large an expansion of oil production facilities should the Saudi Arabian permit. There is an influential lobby in favour of allowing production to rise to a minimum average of 11 million to 12 million barrels a day to ease the energy supply problems of the industrialized nations in the early 1980s.

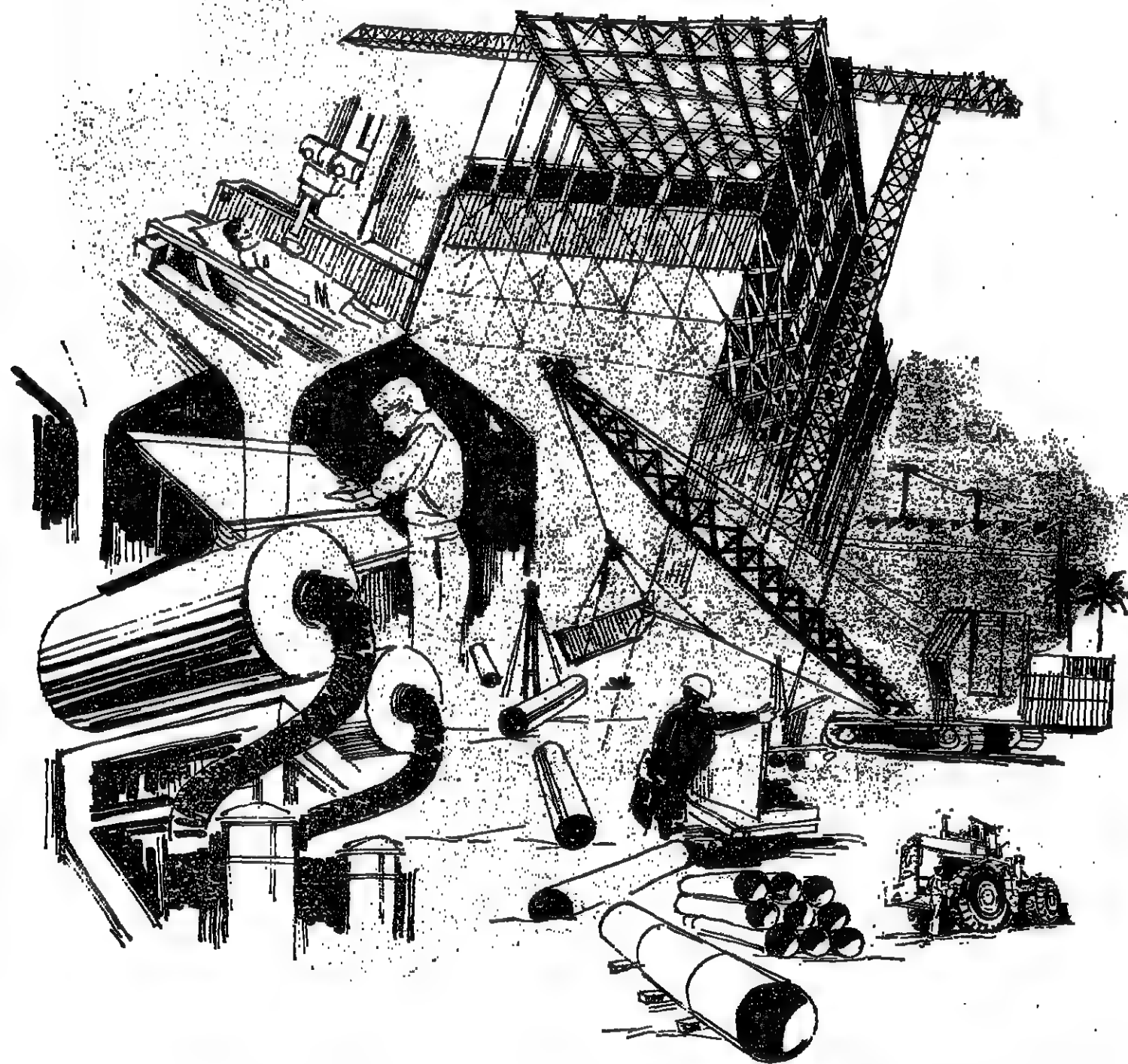
Rising production during this period would almost certainly coincide with a period of rapidly rising oil prices that could again bring to Saudi Arabia the problems of investing their surplus oil revenues.

But the problems posed by the industrialization of the Eastern Province, its attendant strain on resources, large imports of manpower and capital goods plus the runaway inflation this has brought are very much in the minds of other Saudis when the question of a ceiling for oil production is discussed.

Output is now limited to 8,500,000 barrels a day while technical tests are carried out on the oil reservoirs. Holding production well below the 10 million barrels a day that was achieved earlier in the year has been no embarrassment during a world wide glut of crude oil.

There are voices that say even this level is too high and provides the Saudis with more revenue than they can use. It seems likely that a compromise can be reached although whether oil revenues will still be channelled into large industrialization projects is open to debate.

The author is Energy Correspondent, The Times.

THE ABDULLA
FOUAD CORP.

Is one of the fastest growing organizations of its kind in Saudi Arabia, offering a wide range of services in:

- * CONSTRUCTION & ENGINEERING
- * PROPERTY DEVELOPMENT
- * COMMERCIAL REPRESENTATION
- * INDUSTRIAL PROJECTS

Whatever your needs in the Kingdom of Saudi Arabia, contact

عبد الله فؤاد

THE ABDULLA FOUAD CORPORATION

P.O. BOX : 257 CABLE : FOUAD-DAMMAM TELEX : 60027 FOUAD SJ TEL : 24400 - 21360
DAMMAM - SAUDI ARABIA

**The
Times
Special
Reports**

All the subject
matter on
all the subjects
that matter

FOCUS ON

JUBAIL COMPLEX AND GAS GATHERING

Fishing port becomes industrial centre

by Geoffrey Weston

Under the second development plan, Saudi Arabia has committed itself to a policy of industrialization to broaden the nation's economic base. The five per cent of Saudi oil is exported in crude form and so the value added is lost. For every barrel of oil 450 cu ft of natural gas is flared off—a loss rate enough to generate electricity for the whole of New York.

Conscious of this enormous waste, planners have set out to use future supplies of natural gas and maximize the benefits of crude oil. The presence of the oil fields in the Eastern Province, the need for deep-water facilities to export new products, and the large undeveloped hinterland, narrowed the choice of a site down to the little town of Jubail, a fishing port of 2,000 inhabitants on the coast north of Dammam.

Jubail is to be the country's biggest industrial complex and the rate of progress since it was conceived early in 1974 has been extraordinary.

Construction began in the summer of 1975 and since early last year the Royal Commission for Jubail and Yanbu, has coordinated progress. Yanbu, a small port on the Red Sea north of Jiddah, is to be the base for a secondary industrial development based on oil and natural gas piped direct from Jubail.

In an interview with *The Times*, Dr Faruk Akdar, the American-educated secretary-general of the royal commission, outlined the design of a twenty-first century city of 175,000 people spread over a desert site, 20km by 30 km, with every comfort and development that a technological age can supply. To the north will be the residential areas and to the south the industrial area. Such dreams depend, however, on attracting large numbers of Beduins from a wide area.

Crucial to the plan are an industrial port servicing the industrial complex, and further south, a commercial port handling other cargo and planned to relieve the pressure on Dammam. There will also be a rail link to the Dammam-Riyadh line, an

airstrip and a massive infrastructure of roads and other services.

Even by Middle East standards the scale of the operation is enormous, with up to 40,000 people engaged on construction, and the industrial complex alone is expected to take 11 to 15 years to build. The American Bechtel Company is the principal engineering consultant but management, technical and many other interests are involved, including Aramco, Petromin and the Ports Authority.

As well as the primary industries based on hydrocarbon resources and others which are energy-intensive, two export refineries, a lubricating oil refinery, four petrochemical plants, an aluminium smelter and a steel mill are planned so far. Support industries will manufacture steel, aluminium, plastic and chemical products.

The industrial harbour is planned to receive imports of bulk cargo, such as iron ore concentrates, limestone, aluminium and salt and to export refinery products, such as liquid and solid petrochemicals, iron and steel, aluminium and sulphur. Four berths will be

alongside the open sea-tanker terminal connected to a causeway 9.5 km long. The causeway will be 300 metres wide to accommodate a road, railway, a pipe track and possibly a conduit to transmit seawater for industrial cooling.

Six shallow water berths, with a total length of 550 metres, intended mainly for salt barges and small craft, and nine deep water berths, 2,350 metres long, comprise the other main facilities. The dredging and reclamation is being carried out by Jubail Harbour Consortium, a joint venture between Stevin Dredging, Bos Kalis, van Hattum and Zaanan Versteep at a cost of £185m.

The South Korean firm Hyundai Construction Company, which has won the £540m contract to build the industrial port, has aroused considerable comment on account of its low pricing and the comprehensive scale of its operations. It ran into difficulties over an industrial dispute among its South Korean workers, who are paid lower wages than those of other nationalities in the area. Such occurrences are unknown in Saudi Arabia's strictly disciplined

society, but the disruption was smoothed over and work has continued.

The most advanced work has been done on the commercial port, which is due for completion in 1979. Fourteen deep-water berths, of which two are complete, with a total length of 3,300 metres, are planned, together with two container berths and a short stretch of quay for shallow craft. These are protected by breakwaters, the southern one 21km long and the eastern one 4km long.

Extensive dredging and reclamation is being carried out by Royal Adriaan Volker Dredging Company of Rotterdam. The reclaimed material being used to reclaim the port administration buildings and maintenance facilities. This contract is worth £156m.

The first phase of construction was completed this year at a cost of £56m by Archirodon of Athens. The remaining construction is a joint venture worth £500m shared between Adriaan Volker and Consolidated Contractors Company. The consulting engineers for both ports are Sir William Halcrow and Partners.

Recovery schemes defeating energy scandal

by Roger Vielvoye

World's first \$1,000m recovery and treatment programme that will turn 1,000 million cu ft a day of unused gas, produced in association with oil, into marketable products has now begun to operate in Saudi Arabia.

Although the builders, Fluor Corporation, say it is the biggest scheme of its type in the world, it will be dwarfed by the follow-up gas gathering project now being undertaken on behalf of the Government by the Arabian American Oil Company (Aramco).

The vast quantities of gas produced in association with oil that have been burnt off daily in Saudi Arabia have for years been one of the great scandals of the energy industry. Oil companies claimed that the gas had to be flared because there was no economic way of channeling it into local industries or exporting the fuel to the gas-hungry industrialized countries.

But the increase in oil prices after the 1973-74 supply crisis, which accelerated the rate of industrial development in Saudi Arabia, has provided a market for the gas. New industries, petrochemical plants and power stations need the gas as a fuel and the Government is now rich enough to

finance the massive scheme needed to gather, treat and distribute the gas.

During 1976 between 4,400 million and 4,500 million cu ft a day of gas was produced in association with the oil, and less than one quarter was used productively. The completion of the Fluor scheme has increased this figure but the amount that is being wasted is almost the equivalent of two thirds of Britain's daily gas consumption.

Saudi Arabia estimates its gas reserves at 86,000,000 million cu ft, most of which is in association with oil. Only two non-associated gas fields have been properly appraised. The largest, the Kisan field, is in the remote Empty Quarter but a much smaller field lies under the city of Dhahran and provides a domestic source of power. Gas exploration is continuing, but with such large amounts of associated gas still going to waste there is not much incentive to develop other deposits.

The Government has commissioned Aramco to supervise and let the contracts for the gas gathering scheme, which is expected to be handling 5,000 million cu ft of gas a day when it is complete in the 1980s. So far it has proved impossible to cost the scheme, since the size of the work has changed so often since the idea was conceived in 1975.

At that time it was thought that the project

would cost a total of \$5,000m and would use the associated gas from overall oil production of about 12 million barrels a day. But last year the whole project was given a thorough re-appraisal as it was felt that oil production in the early 1980s might be running at an average of only 10 million barrels a day.

Another factor was the rapidly escalating cost that was making even the rich Saudis flinch. According to some sources the costs were almost double the original estimate at \$10,000m—more even than the \$7,000m trans-Alaska pipeline, which is so far the world's most expensive construction project.

An analysis of world markets for the gas that is surplus to local requirements also provided some sobering figures for the planners. Saudi Arabia is not alone in devising schemes to prevent the wasteful burning of associated gas and there were considerable doubts whether the world market for natural gas liquids could absorb large new tranches of capacity. The Saudi scheme, as it stood, could have ruined the market and depressed prices. As a result all the Middle Eastern countries would have been running their gas gathering operations at a loss.

The government answer to these problems has been to allow the project to slip behind its original schedule.

Two of the key elements in the scheme, the processing units at Sheddum and Juyaymah, had been scheduled for completion in 1979 but will now not be ready until 1981. The rest of the facilities will be staggered into the mid-1980s.

By taking the pressure off the construction companies—Fluor, Ralph M. Parsons, Bechtel and Hudson-McDermott—the scheme will be able to proceed on a more mechanical schedule that will reduce the need for the vast importation of labour that has caused huge logistical problems.

In addition, the decision to base the scheme on an average oil production of 10 million barrels a day will reduce the amount of natural gas liquids available daily from 500,000 barrels to 400,000 barrels and the daily production of ethane from 400,000 barrels to 200,000 barrels. Cost savings will be achieved from the lower ethane production. The change is the broad objective of the scheme means that there will be no more installations at Abqaiq and that the processing centre at Khawr will be abandoned.

Enormous problems have arisen on this project at the right time. Aramco has embarked on a programme of office and warehouse building around Dhahran, Ras Tanura and Abqaiq. To house contractor

employees on the various development projects, Aramco has built and is operating nine camps housing more than 10,000 workers and 600 dependants. One of the camps is a floating one, built on two barges moored at Qurayyah. The camps will eventually house about 33,000 contractor employees and will also provide 425,000 sq ft of office space.

The system that has just been completed by Fluor is providing natural gas liquids for export and sweetened residue gas for use at the Jubail industrial complex. Aramco will also use a portion of this sweet gas as a fuel at other industrial facilities in the province. There is a total of 380 million cu ft a day of sweet gas for fuel purposes.

Other facilities provide 210,000 barrels a day of natural gas liquids, guaranteeing that Saudi Arabia will remain the world's largest exporter of burning, propane and naphtha. The Fluor system takes gas associated with oil from wells in the Ghawar, Abqaiq, Ain Dair and Qufuf oilfields. It is collected and processed at centres in Abqaiq, Ras Tanura and Berri and a small compression plant on the island of Abu Ali. The Abqaiq and Berri plants pipe their production to the Ras Tanura refinery where it is fractionated, treated, refrigerated, stored and shipped.

3 good reasons show our successful growth in Saudia

1 INTERNATIONALLY FAMOUS AGENCIES

Many of our agencies are very well-known and well established. No matter what the project is our customer is happy to choose the equipment to his liking and need.

2 STOCK OF SPARE PARTS

Every machine might break down sooner or later. That's why when we sell industrial or construction equipment we ensure to carry a big stock of spare parts.

3 PROMPT SERVICE

Servicing your equipment urgently and efficiently is no problem to us. We have highly trained engineers and mechanics. You can be sure that our equipment is going to last for a long long time.

ARAB EQUIPMENT ESTABLISHMENT
DAMMAM - P.O. BOX 1660, SAUDI ARABIA. Tel: DAMMAM 29427. AL KHUBOR 44536

For Overland Transport in Saudi Arabia use M.A.T.S.S.



Saudi Arabia has one of the best transport systems in the world, but until recently there was a lack of efficient overland transport facilities.

M.A.T.S.S. (Middle East Transport Services Ltd.) is a joint venture between the Arabian American Oil Company (Aramco) and the Government of Saudi Arabia. It is the largest transport company in the Middle East.

Based in Jeddah and Dhahran, M.A.T.S.S. operates a fleet of tractor units and trailers, heavy trucks, and specialized vehicles for the transport of goods and passengers. It also provides a service for the transport of oil and gas.

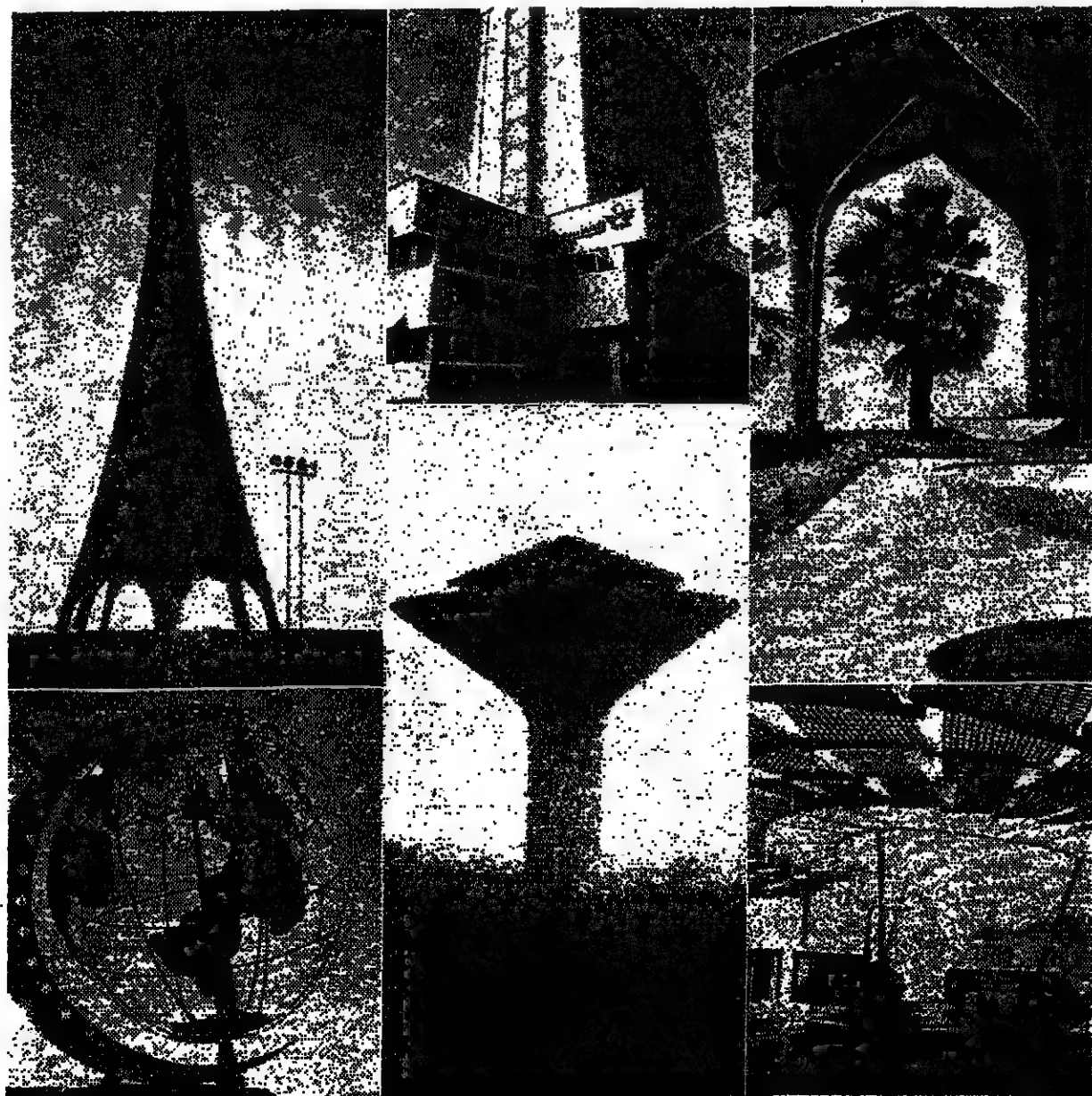
For further details please contact:

London
M.A.T.S.S. Ltd.
2nd Floor, 100, Abchurch Lane
London EC4N 3DF
Telephone: 01-380 1100

Saudi Arabia
M.A.T.S.S. Ltd.
P.O. Box 100, Jeddah
Telephone: 01-380 1100

Marine and Transportation Services (Saudia) Ltd.

Key to the heart of the world's richest market.



Saudi Arabia, at the heart of the Islamic world, is also at the heart of the Middle East commercial world.

In a few decades, the resources of this ancient land have been channelled into creating a prosperous new life. Here you will find many exciting new business opportunities. And Saudia is the airline to take you there.

More TriStars. More Routes. More Cargo. More Non-Stop Flights.

Saudia are the leaders in Middle East flight. And we can offer you more of everything.

For more information or reservations, call your nearest Saudia office.



PASSENGER SERVICES										UK - SAUDI ARABIA			
Day	MON	TUE	WED	THUR	FRI	SAT	SUN	MON	TUE	WED	THUR	FRI	SAT
Flight no. (SV)	782	076	172	074	176	172	076	172	078	172	076	172	076
Aircraft	B707	B747	E301	E301	B747	E301	E301	B747	E301	B747	E301	B747	E301
London	d	1115	1405	1105	1105	1905	1105	1405	1105	1435	1105	1405	1405
Jeddah	a	2200		2010	2200	Fri 0410	2155		2010				
Riyadh	a		Tue 0720		2230		2325		2355				Mon 0120

ALL TIMES ARE LOCAL

The key to the heart of the Middle East.

Saudia has been the airline at the heart of the Middle East for over 30 years. Our vast experience is yours to help you unlock the rich Saudi market by making travel easier for you.

saudia
SAUDI ARABIAN AIRLINES
Key to the heart of the Middle East.
TELEPHONE: LONDON 01-957 7777. MANCHESTER 061-833 9375.

FOCUS ON

THE URBAN EXPLOSION AND PROSPECTS FOR LONG-DISTANCE PIPELINES

Exploration camp
presages
social transformation

by H. Bowen-Jones

Forty years ago one oil exploration camp with its 50 or so inhabitants in the sand and rock wastes which make up the low hills around Jabal Dhahran was a strange intrusion in a vast region in which oasis agriculture and nomadic pastoralism were dominant and in which towns were few and small. Hofuf, it is true, had some 50,000 people, but it was still essentially the same classic oasis settlement centre which it had been for centuries, important as the place from which the great est oasis in Saudi Arabia could be controlled, worked and served.

Qatif, serving an equally ancient but smaller oasis and with a small port, had long declined from its earlier greater trading importance to a population estimated by Abdulla Mansour al-Shubayb of some 6,000. Jubail, Uqair and Dammam were even smaller villages which even in their more prosperous pasts had had little except local and minor regional importance.

Because of the success of that oil exploration camp, the Eastern Province has experienced a revolution of urbanization which has profoundly transformed its social and economic life. In terms of oil, the region has developed dynamic and complex characteristics which are essentially town-centred.

At first it was simply oil production and crude oil export which dominated. At the first camp site, once oil was struck, a company town grew around the Arabian oil fields. American Oil Co (Aramco) headquarters, a town like many others in the world created to supply the facilities necessary to maintain a community of expatriate oil company employees in an alien and undeveloped environment.

Even before 1940 an electricity generating plant, commissary, clinic and other services supplied the nucleus of a transplanted life. The town designed by Americans primarily for Americans. In 1953 Aramco moved its headquarters from New York to Dhahran as the operational centre for the oil already promised to be one of the world's greatest oil regions.

All the urban services one associates with western cities were created out of the desert in what has remained a company town increasingly dedicated to the administration and technological servicing of an oil province which extends from the newer oilfields in the Rub al-Khali to the Tapline corridor to the Mediterranean.

Dhahran has a cantonment heart, an international airport (and associated hotel) which has grown from the old Aramco airfield, and a University of Petroleum and Minerals, but its non-oil industry and commerce have remained small and limited. In the same specialized mould grew the export terminal and refinery town of Ras Tanura (with its dormitory suburb at Al-Rihama) and Abqaiq to the south, the main oil production control centre.

It is elsewhere that the greatest urban changes of scale and of type occurred. Most extreme have been those at Dammam and Al-Khobar. By 1950 it was clear that a general purpose and oilfield supply port had to be created and Dammam was selected for port development and as the Gulf terminus of Saudi Arabia's only railway—then to Riyadh.

By the same year the demand for residential accommodation for Aramco employees had soared, particularly for Saudi Arabian nationals. The ancillary support activities demanded and created by the oil industry were beginning to attract significant numbers of Saudi Arabian and other Arab immigrant workers.

In collaboration with the Government, Aramco engineers set about planning the construction of Dammam and Al-Khobar, incorporating a policy of encouraging and assisting Arab employees to build or purchase permanent homes rather than allowing socially unbalanced drift to the oilfields. Grid pattern layouts, assuming from the start a motorized society and capable of almost infinite expansion, engulfed the tiny traditional nuclei.

In 1953 Dammam became the provincial capital and took over from the traditional oasis centre of Hofuf not only the governmental and economic leadership. From its 1,300 inhabitants in 1953 Dammam has increased its population to about 80,000—and a population that is totally devoted to commerce, industry and urban services.

It rivals Jeddah for seaborne trade, handling about 20,000 tons of discharged cargo a day; 3,500 tons are committed to further port expansion. That in itself is a most powerful economic location and expansion force in that imported raw and semi-processed materials, capital goods, fuel and labour are crucial to the province's development and almost all flow in through Dammam.

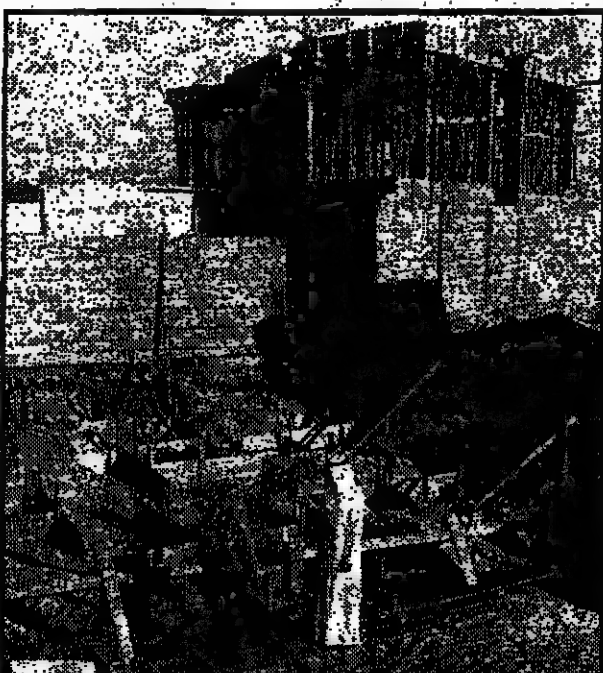
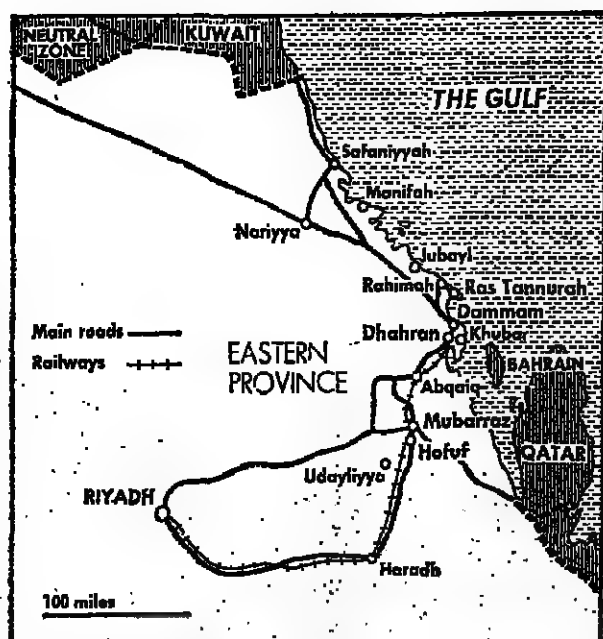
Port and rail activities, manufacturing—especially in Dammam's industrial estate as well as in the host of city centre workshops and peripheral factories in which clothing, electrical and food industries predominate—and administrative pre-eminence have made Dammam the natural location for the Eastern Province branches of businesses based in Riyadh and Jeddah.

The city centre concentration of activity in the King Street and Fahd Street area is in the classical central business district or nucleus in a mostly Arab and Islamic society.

Al-Khobar, with a little more than half the population of Dammam, has had a similar expansive history but has developed some rather special characteristics. For a short while during the 1940s it succeeded Jubail as the oilfield port, but since 1950 has been completely overshadowed as a port by Dammam.

During the 1950s, however, it developed slightly ahead of Dammam as a residential and retail centre for oil company employees and has retained a lead in high quality retailing. It serves a proportionately larger western expatriate resident population. Wholesale trade and manufacturing industry are less well developed but banking and financial activities are exceptionally large. Its several grid planned quarters are also fairly distinct.

Dhahran, Dammam and Al-Khobar must be regarded as a single urban and industrial complex, with social and economic services for a population of some 150,000 in an area about 15km from north to south and 8km east



A Saudi inspects the progress of his house at Al-Khobar, being built with an interest-free government mortgage.

to west. Within that area almost all land is devoted to commercial and transport purposes in addition to the three main population concentrations.

Hofuf, far to the south, remains the largest single town in the Eastern Province even though it has lost its ancient primacy to what Abdulla Mansour al-Shubayb has called the "golden triangle" of Dammam-Dhahran and Al-Khobar. Indeed its population, in spite of a considerable loss by migration to its newer rivals, has grown. Industrial growth has been limited and small scale

apart from a large cement factory. Within the next 20 years, it is planned to grow as both an industrial and an urban centre. But questions about where its population will come from, how far and in what ways its port will compete with or complement Dammam, and how and in what ways private commerce and industry will respond to and then accelerate its growth, cannot be fully answered yet.

The author is professor of geography and director, Middle Eastern and Islamic Studies, Durham University.

Security lies
behind
expensive plans

by Roger Vielvoye

At a time when there is a massive world glut of crude oil and a similar surplus of tankers, with millions of tons of vessels laid up, Saudi Arabia is embarking on a state of pipeline building.

Undertaken by the closure of the Trans-Arabia Pipeline (Tapline), the Saudi Arabian Government has placed a \$1,500m contract to build a 1,287km long pipeline from the oilfields of the Eastern Province to the new industrial centre of Yanbu on the Red Sea coast.

Two other new pipelines are being considered. The largest is an ambitious project to link the Eastern Province oilfields with the Indian Ocean with a line across the Empty Quarter desert and through the Democratic Republic of South Yemen.

There is also a shorter line under consideration that would pipe oil from the newly discovered Shaybah fields close to the border with the United Arab Emirates (UAE) again to the Indian Ocean, this time through Oman.

Saudi Arabia is not alone in increasing its interests in pipelines at a time when the economic reasons for doing so are difficult to establish. Iraq has recently opened a 965km pipeline from its oilfields to the Turkish port of Iskenderun, and Egypt has opened the Sumed pipeline from the Gulf of Suez to the Mediterranean.

The key to this rash of pipeline building lies in the need to ensure the security of the oil routes.

Saudi Arabia and Iraq have both suffered from dependence on pipelines that run through one or more countries that are continually increasing their transit charges and, in the view of the pipeline owners, failing to use part of the large fees to provide effective security.

Saudi Arabia is well aware that all its tanker terminals that could handle the 11 million to 12 million barrels a day of maximum output are situated in the Gulf close to the large producing fields in the Eastern Province.

To reach the terminals tankers must pass through the narrow Strait of Hormuz between Iran and Oman. In

a notoriously unstable area this life-line could easily become blocked preventing a large proportion of the world's exports from leaving the terminals.

Tanker terminals in the Red Sea and the Indian Ocean would provide not only new outlets in case of war in the Gulf, but also give some alternative means of exporting oil during periods of prolonged bad weather that curtail or completely shut down tanker loading operations. Long spells of bad weather are not unusual, as buyers of Saudi Arabian oil found to their cost earlier in the year.

Storms prevented them from getting large quantities of cheap oil from the Gulf to Europe, Japan and North America during the two-year oil pricing dispute.

The bitter experience of operating the Tapline through Jordan, Syria and Lebanon, makes pipelines that run exclusively through Saudi territory or just one other country an attractive proposition. Throughout the life of the Tapline it was vulnerable to sabotage and during the conflict in Lebanon the terminals were damaged and had to be shut down.

The line finally closed in February the reason given was competition from tankers. Freight rates had fallen to the point where it was far cheaper to ship crude around the Cape in giant tankers. Industry sources say the real reason was the continuing pressure for higher pipeline dues from the countries through which it passed.

The Tapline is being maintained in working order and could be reopened if conditions improved. Work on the pipeline that will link the giant Ghawar oilfield to the port of Yanbu has already started. The route will take the line across the desert to the Red Sea, through Bureidah and Medina. Yanbu has been chosen as the site for a large industrial complex based on petrochemicals and oil refining.

The pipeline will provide the feedstock for those new refineries. The big export terminal is being built to handle exports of crude oil, and when the refinery is completed, it will handle refined products.

Placed strategically on the Red Sea coast, Yanbu is ideally sited for large tankers which will make the run to Japan or by way of the Cape to Europe, and for the smaller tankers that will be moving crude into the Mediterranean through the Suez Canal. Refined products will also be moved in smaller ships which will use the Suez Canal.

While the pipeline to Yanbu provides an alternative to the Gulf ports for exports, vessels steaming south have to pass through the narrow Bab al-Mandab between the Yemens and Ethiopia, and Somalia, an area that is politically less stable than the Gulf.

The project to pipe oil from the Eastern Province to the Indian Ocean through South Yemen is perhaps the most ambitious of all. So far it has not got past the planning stage.

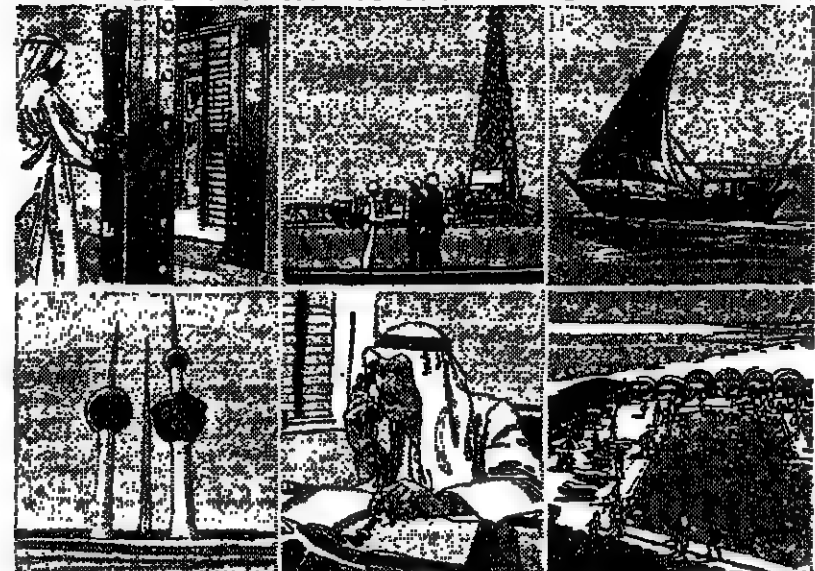
It would mean crossing almost the entire length of the Empty Quarter. But in Alaska the pipeline builders have proved that, provided almost any hazard is surmountable. And if the Saudis decide that the pipeline is needed, money will be no object.

A Saudi decision to proceed with the line to South Yemen could interest other oil states in the Gulf who, like the Saudis, are well aware of the vulnerability of the Strait of Hormuz. Feeder lines could link the oilfields of Kuwait, Qatar and possibly the United Arab Emirates into the line, giving them the added security of access to the Indian Ocean.

The third line to the Indian Ocean, through Oman, was proposed in 1975 but was delayed first by the fighting in Dhofar and by the Saudi insistence that they should have complete sovereignty over the line, even where it passed through Omani territory.

Reports from the area now suggest that Saudi Arabia and Oman are close to reaching an agreement that would permit the line to go ahead. Saudi Arabia is keen to develop the newly discovered Shaybah field but does not want to build another pipeline into the Gulf.

The compromise being discussed would allow the Saudis to lease a corridor of land from the border to a terminal in the southern part of Oman.

A two minute tour
of the Arab business world.

Here, we've given you a lightning tour of Kuwait, but we could tell you more about our country than any other airline. Simply because it is our country. We can advise you who to contact on all kinds of matters, from finance to playing polo. As well as recommending the best places to relax when the work is done.

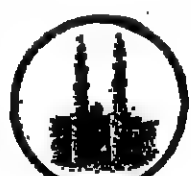
We're sticklers for punctuality, departure times 10.00 hours sharp, seven days a week. So we have our Boeing 707s ready the night before they're due to leave, and as waiting for connecting flights can be tedious, we've revised our schedules in a real effort to cut down on transit times. Probably another reason why we fly more businessmen from London to Kuwait than anyone else.

On board, there's everything you'd expect from a national airline. Right down to the in-flight movie and your own personal stores. The only ones who get even more VIP treatment are children. Specially if they're travelling alone.

So fly with us to Kuwait, the Gulf or anywhere in the Middle East. Or on to Iran, India and Pakistan. In fact, the number of flights over our network is rapidly increasing, you can now start your flight from more places, such as Madrid, and Amsterdam. If you're doing business in the Middle East, this could have been the most profitable couple of minutes of your day.

KUWAIT AIRWAYS
To the heart of the Arab business world.

London EC-3, Fleet City, Tel 04-499 7441/2/3, Heathrow Airport, Tel 04-739 7774.
Manchester 218, Royal Exchange Bldg, Tel 061-424 4161, Glasgow 174, St. Vincent Street, Tel 041-248 3328.
Copenhagen Westergaardsgade 1, 1600 Copenhagen V, Tel 150915.
Stockholm Birger Jarlsgatan 6, P.O. Box 100 Stockholm, KAC representative sales Office and reservations 10 14 59.

BANQUE DU CAIRE
SAUDI ARABIA

The Bank has accomplished considerable achievements during its Jubilee Year, the fiscal year 1976.

The budget for the Bank's branches is over 6.4 billion Saudi Riyals and its deposits are some 1,785 million Saudi Riyals. Banque du Caire has had the honour of contributing to the national economy during the period of progress and prosperity maintained under the leadership of his Majesty King Khaled bin Abdul Aziz, Crown Prince Fahad and the Government.

Branches throughout the Kingdom have celebrated the Bank's Jubilee Year with continued development of their activities in all fields, as the following figures showing the last two years' progress indicate:

	1974	1975	1976	Percentage Inc. over last two yrs.
Total Budget	2165	4737	6410	196 %
Total Deposits	543	1194	1785	229 %
Total Revenues	38	90	160	321 %
Capital and Free Reserve Funds	30	60	100	233 %

(Figures in millions of Saudi Riyals)



BANQUE DU CAIRE
JEDDAH-RIYADH-AL-KHOBAR

KOMATSU
AN ENDLESS RANGE
KOMATSU D355C-3
PIPELAYER

KOMATSU MAIN PRODUCTS & SERVICE

I. Track-Type Machines

Buildozers
Dozer Shovels
Pipelayers
Excavators &
Mining Shovels etc.

II. Wheel Type Machines

Pay Loaders
Shovel Loaders
Motor Scrapers
Motor Graders
Off-Highway Dump Trucks
Forklift Trucks
Tow Tractors etc.

III. Others

Industrial Diesel Power
Engine Generators
Air Compressors (Portable)
Machine Tools etc.

IV. Computerised

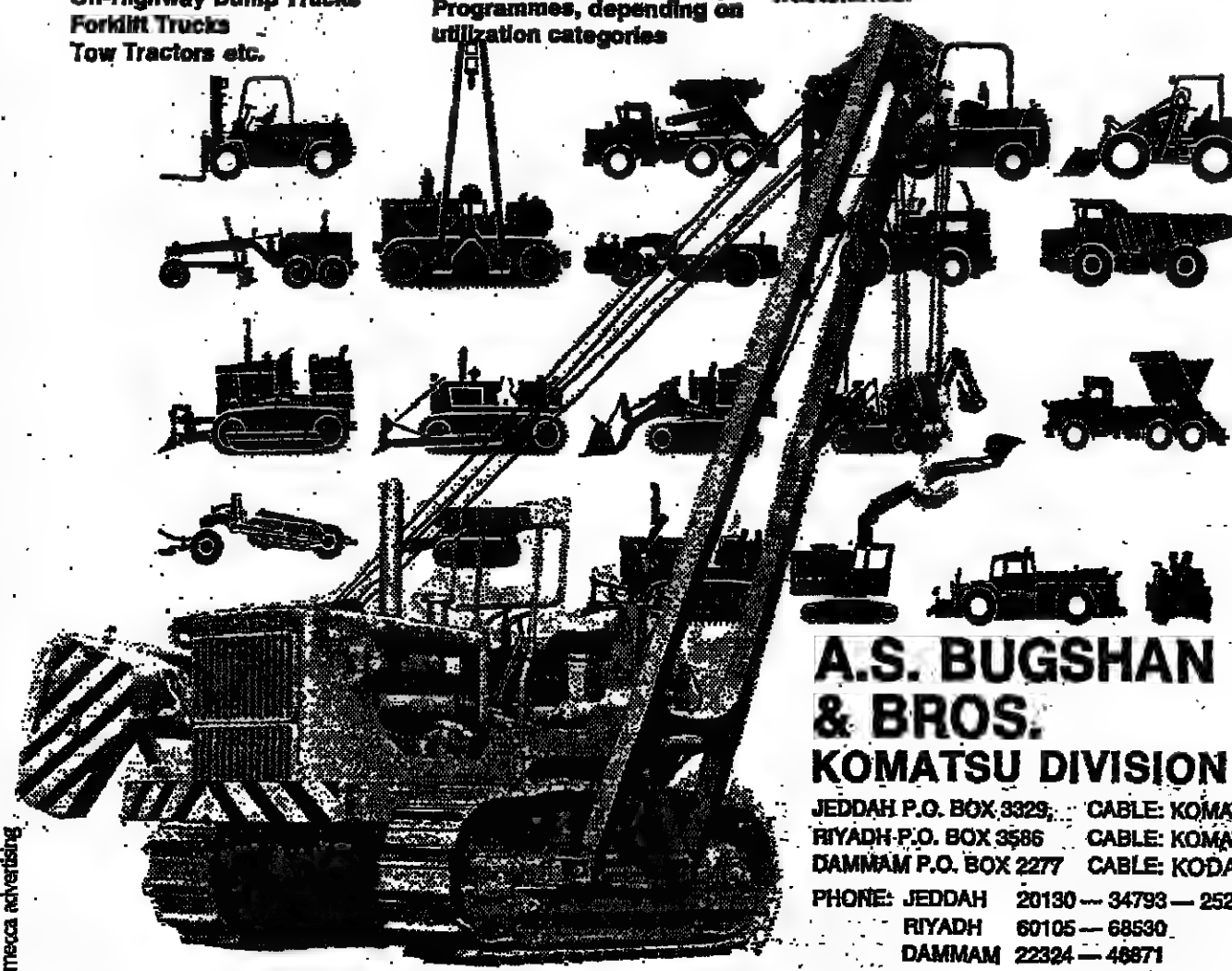
Optimum Fleet
Recommendation Service

V. Central Training Facilities

Service support
Programmes, depending on
utilization categories

A MATTER OF CHOICE!
An impressive array of job-matched types each with a wide range of models for the most discriminating user in pursuit of increased production and down-to-earth costs. There is a Komatsu built machine/equipment for virtually any conceivable earth moving application: designed and constructed to deliver optimum performance under the most severe and diverse job-site conditions ranging from swampy terrain, dense jungles, to extremely hot and cold arid wastelands.

We are right along with you in your initial stages of analysis and evaluation of earth volumes, machine selection and on to positive product support services wherein you stand to benefit from our vast experience accumulated assiduously over more than fifty years.



A.S. BUGSHAN & BROS.
KOMATSU DIVISION

JEDDAH P.O. BOX 3323 CABLE: KOMATSU JED.
RIYADH P.O. BOX 3586 CABLE: KOMATSU RIYADH
DAMMAM P.O. BOX 2277 CABLE: KODAM DAMMAM
PHONE: JEDDAH 20130 — 34793 — 25250 — 33406
RIYADH 60105 — 68630
DAMMAM 22324 — 46671

FOCUS ON

DAMMAM PORT AND THE SAUDI TANKER FLEET

Auction threat clears congestion

by Geoffrey Weston

The port of Dammam, the second in Saudi Arabia after Jeddah, which overhauled it in spite of having fewer berths at the present stage of development, serves the whole of the Eastern Province and Riyadh. Built in 1947, it was run until last June by the Saudi Government Railroad Organization, which also operates the country's only railway, between Dammam and Riyadh. The main imports are machinery and general cargo, since petroleum products do not pass through this port.

The 1973 oil boom, however, caused considerable congestion, although less than in Jeddah. The problem built up in 1975 and was solved by offshore unloading and a large influx of labour. The second bottleneck took the whole of last year to clear and the worst delays lasted four months.

All ports now operate under the Ports Authority of Saudi Arabia, set up just over a year ago under the dynamic leadership of Dr. Fawz Badr, who cleared congestion by the simple expedient of threatening to auction goods left in the ports more than 15 days—a measure rigorously adhered to.

Dammam port also has its own director-general, Muhammad Sulaiman, who coordinates operations between a largely Saudi staff and his management advisers, Gulf Port Management Services, a subsidiary of Mersey Docks and Harbour Board. The director-general now controls the port's finances and can take almost all decisions on the spot—a system which has resulted in greatly increased efficiency.

The entire port is built on reclaimed land and was originally connected to the mainland by a skin causeway. Further reclamation has now pushed the sea out of sight of the causeway, which still remains the sole means of access. This factor simplifies security measures, which are especially stringent on account of military installations and oil fields not far away.

Seen from the air the port in its final planned form will resemble a trident pointing northwards. By the end of this year 24 berths will have been completed on the central and eastern prongs and by the early 1980s, 38 berths (compared with Jeddah's planned 45) are expected to be in operation, capable of handling 9,500,000 deadweight tons, although no more berths will be completed until 1979. The western prong will accommodate berths 36-38, the rest of it serving as a breakwater although clearly suitable for further expansion if necessary.

The port has been subsidised since it was built but current plans are to make all ports self-financing within five years. The current operating budget for Dammam is 442m rials, compared with 380m rials last year and 200m rials in 1975. This compares with a cargo throughput increase of 15-20 per cent a year.

Port equipment includes 300 forklift trucks, 100 trailers, 25 Mercedes trucks and 80 mobile cranes. Electricity supply has been a severe problem, but it is now under control, although not long ago a large number of new cranes were still awaiting further power supplies.

Four berths are reserved for cement handling. There is one roll-on, roll-off and container berth; two more existing berths will eventually be suitable for similar cargoes and four more are planned. There are no gantry cranes but four are to be supplied for the new berths. At present, containers are handled by forklift trucks and shippers are required to some extent to supply their own handling equipment, such as extra large forklift trucks and cranes and trailers. More efficient container handling methods will be in operation in 1979, when the next berths are in use.

At the end of the central arm are a flour mill and grain silos, run independently of the port, with a direct rail link to Riyadh. Seventy per cent of all house cargoes leave the port immediately and 30 per cent are stored. Fifty per cent of all cargoes are delivered direct to consignees' trucks.



A shipment of cars from the United States awaiting collection on the dockside at Dammam. There are heavy penalties for failure to remove goods within a specified time.

Tight administrative control and close cooperation with consignees now results in very rapid speed of throughput. In July it was running at 19,000 tons a day and efficiency is aided by Dr Badr's obsession with cleanliness and tidiness.

Container and roll-on, roll-off berths may be occupied for a maximum of 72 hours. One ship that failed to give correct notice of arrival was fined 25,000 rials, and rules, as everywhere else in Saudi Arabia, are rigidly applied. On the other hand storage is free for 10 days, the inland warehouse shortage is rapidly disappearing and there are vast storage areas at the mainland end of the causeway.

The total absence of labour disputes makes progress much smoother, allowing for ponderous bureaucratic procedures in the early stages. Nowhere has this been more dramatically illustrated than in the construction work on the port extensions (much of it dredging), which runs to 11m a day.

The scale of operation is such that one £25m project is only a subsidiary development. Congestion in the port has not caused expansion to fall behind schedule

and contractors have been compelled to adhere rigidly to their deadlines, supply their own labour (much of it Yemeni), housing and construction equipment.

In spite of the continuing rise in imports, further congestion should be kept at bay not only by the expansion of the port of Dammam itself, but also through the massive port development at Jubail, 50km to the north. The contractors for the port expansion are Archibald (Athens) in the eastern section and in the western section the same company is working with Interbeton, a Dutch firm, and DCZ, owned by Philip Holzmann, of West Germany. The consulting engineers are the British firm Sir Bruce White Wolf-Barrie.

Shipping ambitions hit by lack of trained men

by Peter Hill

They lie motionless in Norwegian fjords, at Piraeus and at Walvis Bay and at other deep and safe anchorages around the globe. Manned by skeleton crews and rusting slowly, the very large crude carriers represent the costly epitaph of the world shipping industry's headlong rush to build even larger oil tankers in the late 1960s in the days when demand for oil grew ceaselessly and when larger and larger tankers offered owners the prospect of increased operating efficiency.

But the fourfold increase in the price of oil and the Arab oil embargo of 1973, which threw the world into economic turmoil from which it has still to recover, ensured that the operational life of many of the oil tankers was shortened dramatically. Freight rates plummeted, tankers were forced to move oil on voyages between the Gulf and Western Europe, Japan and the United States at rates which barely covered the operating costs. Shipowners, many of them blue chip companies, found themselves saddled with huge debts and the past few years since the oil crisis have seen no easing of the privations suffered by the tanker owners.

There remains a massive tanker surplus, which is unlikely to be removed for some years, and certainly not before the early 1980s. Owners, bankers and governments have been involved in vigorous attempts to devise measures to resolve the crisis, but with little success so far. The shipbuilding industry faced with cancellations of tanker orders or the conversion of tankers to other types of ship has been thrown into confusion and still finds it difficult to reconcile its ambitious ex-

pansion plans to the collapse of the tanker market.

The oil producing and exporting nations appeared at one time to offer some respite from the acute difficulties which their oil policies prompted. Enjoying huge revenues from sales of oil and an almost insatiable demand for imports of manufactured goods from the developed world their involvement in downstream industrial activities—transportation in particular—appeared at one time to offer some prospect of partial if not total salvation for many owners and builders of ships in the developed world.

But the ambitious fleet development plans of some producing countries failed to build up the momentum which many expected. The reason is quite simple. Arab oil producers, and particularly Saudi Arabia, have been affected by the same factors that have hit the established shipping companies. With the tanker market still in a state of acute depression, offering owners little or no return, the Arab nations involved in fleet expansion policies have had little incentive to pursue those policies as they had originally intended. Equally the marine transportation development of the Arab world faces the further constraint of a lack of trained and efficient manpower.

Two years ago Arab shipping leaders were talking in terms of the principal Arab oil-producing nations exporting some 60 per cent of their production in Arab flag tankers by the end of next year. That target implied a total of 400 tankers sailing under the flags of the leading Arab maritime nations by the end of 1978. But in fact the present Arab tanker fleet amounts to little over four million tons deadweight, representing a mere handful compared with the expected requirements of two years ago.

There is especially true of the largest oil-producing nation in the Middle East, Saudi Arabia, where huge oil

exports have resulted in massive oil revenues yet the merchant fleet, including oil tankers, remains small. There have been a number of joint venture shipping companies established between local and foreign interests to pursue the development of a domestic shipping fleet in line with the diversion of resources from oil revenue into capital investment in downstream activities.

Some of the funds for fleet development have been made available through the Saudi Industrial Development Fund, which offers low interest finance. But in a detailed study of the fleet expansion plans of Middle East oil producers last year, H. P. Drewry* (shipping consultants) noted that the SIDF had turned away applications for funds from 10 shipping interests which involved tanker development.

The depression in the tanker market and the overall uncertainty for some years ahead appear to have been the main factors behind the refusal which conflicted with the stated intention of Saudi Arabia to ensure that initially 25 per cent of oil and gas exports were shipped in domestic flag vessels rising to a 50 per cent share of exports of those products.

Earlier there had been official forecasts by the head of the General Petroleum and Mineral Organization (Petromin) that the Saudi oil and gas carrier fleet would require more than 100 product carriers and 38 liquefied gas carriers, each of about 100,000 tons dwt, together with a fleet of up to 400 very large crude carriers. Those targets are open to question and it is felt that the fleet development will be more closely allied to the acquisition of the remaining parts of the country's oil industry which remain in foreign hands.

By the end of last year the Saudi tanker fleet consisted of a score of tankers, including a handful of very large crude carriers amounting to about three million

tons in total. Lag in the delivery of power tanks to North Arabian Shipping will be built by the Jaspower of Mitsui and must be owned by Mitsui-Oriental.

On the gas plans remain even that the delivery of power tanks to North Arabian Shipping will be built by the Jaspower of Mitsui and must be owned by Mitsui-Oriental.

There are also a number of venture companies in Saudi Arabia in which the Saudi government has a share. The largest of these is the Saudi Maritime Company, in which the Saudi government has a 50 per cent share. The company has a fleet of one million tons of tankers, which are privately owned and operated by the company.

But as the D noted: "Even ventures and companies will still remain personnel problems. Even if the fleet is built, it will be a long time before it is fully operational. This is a serious problem, not financial supply, as like most serious imbalances in the shipping industry, it is a personnel problem."

The Involvement of the Saudi government in the shipping industry is a long-term project, and it is a serious problem, not financial supply, as like most serious imbalances in the shipping industry, it is a personnel problem."

The Involvement of the Saudi government in the shipping industry is a long-term project, and it is a serious problem, not financial supply, as like most serious imbalances in the shipping industry, it is a personnel problem."

The Involvement of the Saudi government in the shipping industry is a long-term project, and it is a serious problem, not financial supply, as like most serious imbalances in the shipping industry, it is a personnel problem."

The Involvement of the Saudi government in the shipping industry is a long-term project, and it is a serious problem, not financial supply, as like most serious imbalances in the shipping industry, it is a personnel problem."

Get in ahead of all the others with

ASHEMIMRY TRADING & CONTRACTING

know-how puts us ahead of our competitors

TRADING

We have made it our business to explore the market for others.

We are proud of the reputation we have established both for ourselves and the manufacturers we represent and their products which we have introduced into the Saudi Arabian Market. This is the market we know, so why not take advantage of our experience and let us promote your products in Saudi Arabia.

CONTRACTING

We are one of the Kingdom's leading suppliers and contractors of modular building systems—PREFAB, PRECAST AND STEEL BUILDING.

Whatever your accommodation requirements, especially where Economy, Time and Quality are prime factors, you can rely on us. Faster erection means faster occupancy and we give you both.

JOINT VENTURES

AND NOW WITH OUR JOINT VENTURES ASSOCIATES WE CAN TAKE BIGGER

PROJECTS OF EXECUTION OF ALL TYPES OF WORKS:

EARTH MOVING AND DRILLING

BRIDGES

LARGE STRUCTURES

HOUSING AND DEVELOPMENT

ELECTRICAL INSTALLATIONS

MECHANICAL INSTALLATIONS

AIRPORTS

HIGHWAYS

RAILROADS

HYDRAULIC WORKS

TRANSPORT OF PETROLEUM & GASES

YOU MAKE NO MISTAKE WITH



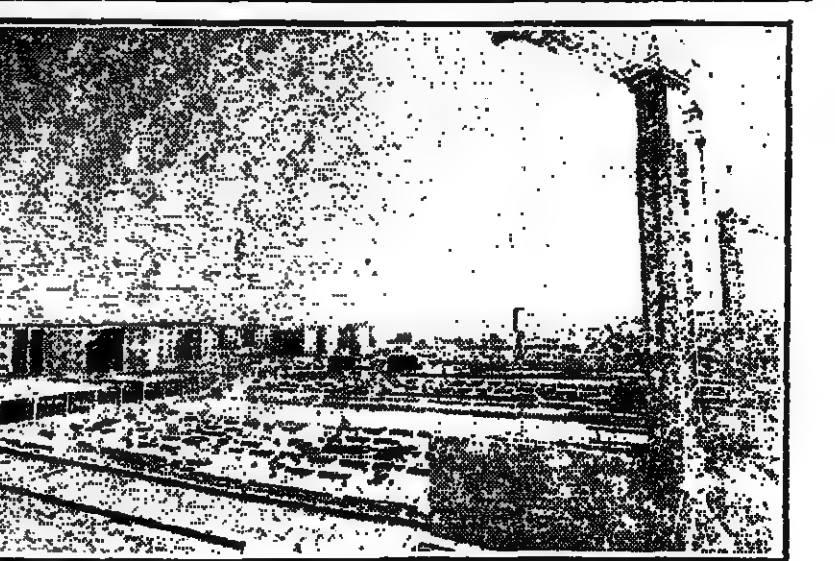
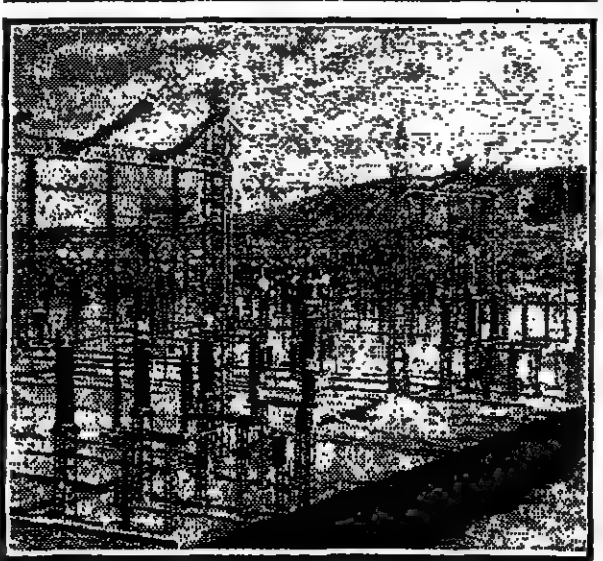
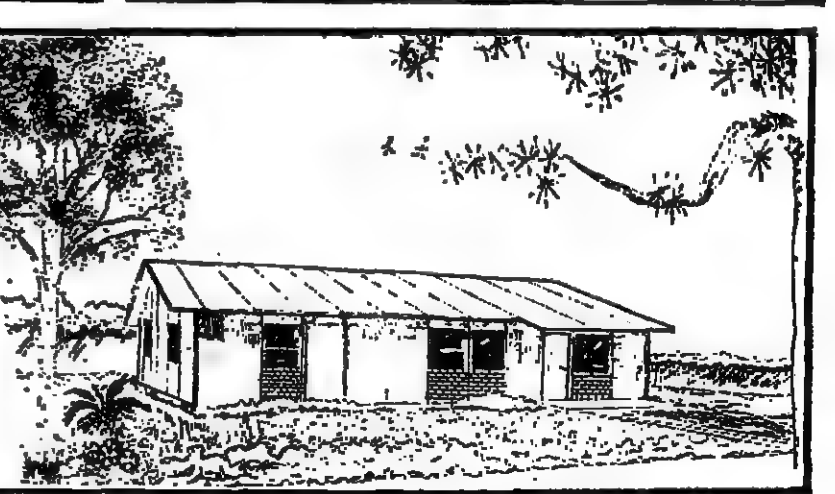
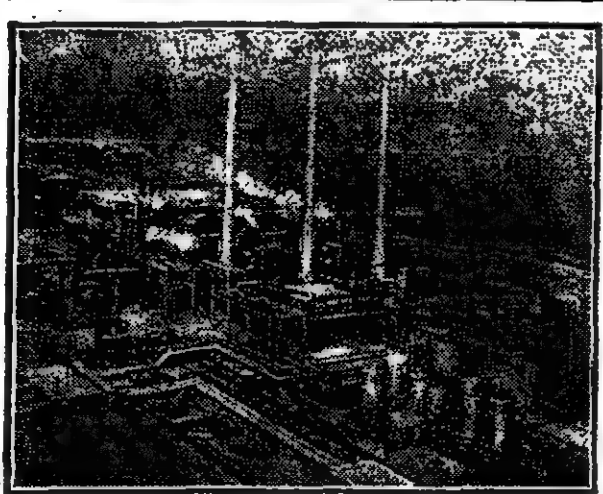
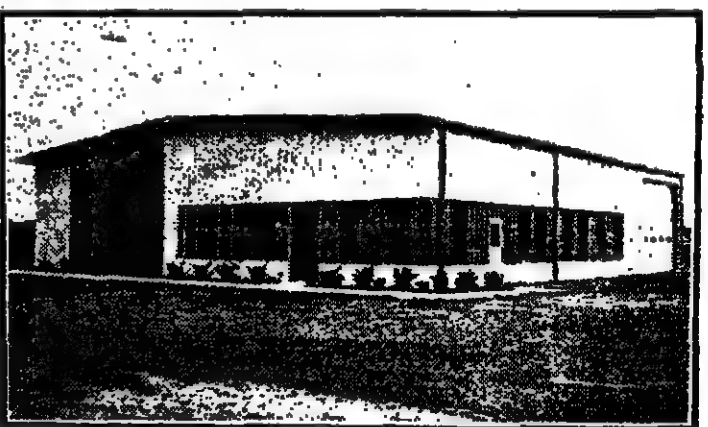
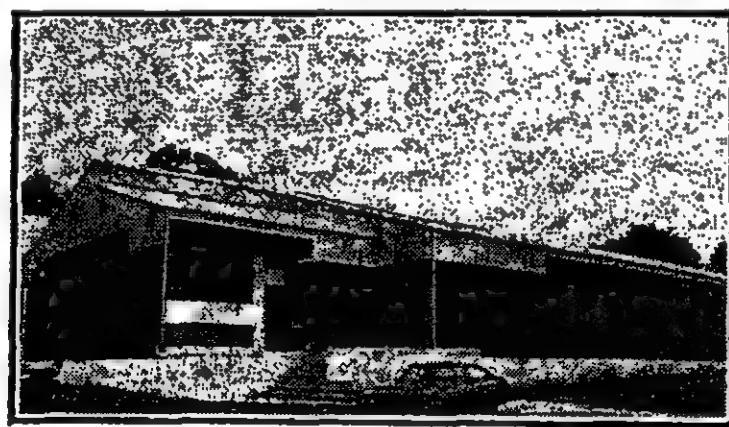
ASHEMIMRY TRADING & CONTRACTING

PALESTINE STREET, P.O. Box 3472.
Tel: 57850, 57256 Cable: SHIMERCOTRADE
Telex: 40158 ATASTEL SJ Jeddah Saudi Arabia

AIRPORT STREET,
RIYADH, SAUDI ARABIA.

DHAHRAN AIRPORT COMPOUND,
DHAHRAN, SAUDI ARABIA.

1775 S.W. 3RD AVENUE,
P.O. BOX 848, MIAMI, FLORIDA U.S.A. 33165
Tel: (305) 858-3146 Telex: 441166 KOC.

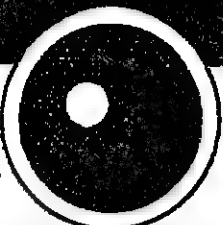




It's surprising what you find beneath the surface when you look.

You may well discover that the Middle East, Europe and Africa have a lot more in common than you thought. All utilise Hepworth vitrified clay products—drainage pipes and cable conduits.

Hepworth keeps things flowing internationally!



The Hepworth Group Company Limited
Head Office: Loughborough, Leicestershire, LE11 3RD
Telephone: 0533 783661 Telex: 54284

Hepworth
VITRIFIED CLAY PRODUCTS

MID-EAST?

Your freight forwarder is

STANDARD

Conventional shipping. Heavy haulage. Project shipping.
Combined sea/road service via Samsun.
Door-to-door express TIR trailer.
Door-to-door refrigerated trailer.
Door-to-door container service with 20', 35' and 40' containers.
Ro/ro service from UK via Dubai to Kuwait, UAE and Saudi Arabia.
Rail groupage and full load service from Kings Lynn and Grangemouth to Iran, Turkey and Iraq.
Daily road groupage departures from Greenford (Standard's terminal) to Tehran and Istanbul for all destinations in Iran and Turkey.

STANDARD DELIVER-

THROUGHOUT THE MIDDLE EAST

STANDARD FREIGHT FORWARDERS LTD.

100 Rrompton Road, Knightsbridge, London SW3 1ER
Telephone: 01-584 8635 Telex: 866885/S

FOCUS ON

ARAMCO, PETROMIN AND OFFSHORE OIL

Talks drag on over nationalization

by Roger Vielvoye

Almost every aspect of life in the Eastern Province is touched by the activities of the Arabian American Oil Co (Aramco). Apart from being the world's largest crude oil producer, Aramco is the biggest single employer and works in areas not normally associated with an affiliate of oil companies whose prime concern is exploration and production of oil.

These outside activities range from organizing the electrification of the province; building the world's largest gas gathering network; helping with the development of communications; owning a large fleet of aircraft; and providing help and advice for local businessmen and farmers.

Aramco is still officially 60 per cent owned by the Government with the remaining 40 per cent holding shared equally among four other American oil companies—Exxon, Mobil, Texaco and the Standard Oil Company of California (Socal), which founded the company and began production just before the start of the Second World War.

Negotiations over the government plans for taking on the 40 per cent company stake have dragged on throughout the year and are still bogged down in the final details of the extremely complex transaction.

At stake has been compensation for the companies on the value of their net book assets and a fee, related to the level of national output, in payment for Aramco continuing to run the oilfields on behalf of the state.

Reports from sources close to these negotiations suggest that the four groups will be paid \$1,500m for their equity share and that their service fee for undertaking production and marketing operations for the Saudis will be 21 cents a barrel, of which six cents will be a fixed charge for exploration work.

The payments will be made on the basis of barrels produced, not those exported.

This means that if current production of about 8,500,000 barrels a day is continued, they would receive service payments of \$650m annually.

This would be in addition to any profits made by the four companies from buying Saudi oil at the market price. The four companies would remain as preferential customers and are trying to secure a clause in the agreement which would prevent the Saudi Government from selling oil to third parties at a discount without giving the same terms to the former equity partners.

In return the Saudis have proposed that there should be fines levied on the Aramco partners should they fail to lift the amounts of oil specified under their contract because of changes in the market or in prices.

In addition to the Government 100 per cent takeover of Aramco, the state is also pressing for a 50 per cent share in the ownership of the Ras Tanura refinery. It also seems likely that the agreement will enable the companies to continue their exploration work until the end of the concession in 1999.

A 100 per cent state takeover will require some reorganization of the massive Aramco machine. Ideas on what should happen to the company when the state takes over have changed considerably since the negotiations started. Initially the Saudis favoured the idea of dividing the country's oil operations into three and putting them under the control of separate companies.

Aramco would have been confined to an exploration and production role while all aspects of the industry, including domestic and international marketing and development, would have been transferred to Petromin and a new state company.

Each of the three groups would have been autonomous but would have worked to a general oil development plan. But after looking at the experience of some of its neighbours who tried similar multi-state company operations after nationalization, the Saudis are having second thoughts. These seemingly complementary state groups instead of working together

have competed with each other for staff and prestige rather than going out and promoting the country's industry against its competitors.

Although the first oil was produced from Saudi Arabia in 1938, the history of the company goes back much further. In the late 1920s and 1930s only the Standard Oil Company of California was interested in Saudi Arabia. After a series of competitive and complex negotiations in connection with the British groups that dominated the industry in Iraq and Iran, Socal obtained a concession in 1933. Texaco became a partner in the venture three years later and soon after the end of the Second World War Exxon and Mobil joined them.

The additional partners were necessary once it became clear just how much oil there was in Saudi Arabia. Oil companies normally guard their discoveries jealously but the size of the reserves, even in the limited form known 25 years ago, was too much for just two companies to handle.

Since then the Aramco facilities have grown year by year as new fields have been brought on stream and the productive capacity of existing reservoirs has been increased. In 1976 Aramco achieved the remarkable record of becoming the only company in the world to have produced more than 3,000 million barrels of oil in a year. Total production reached 3,053 million barrels by the end of the year—a 22 per cent increase over 1975. Cumulative production since Aramco began operations in 1938 is now nearly 30,000 million barrels. It took until 1952 to reach the first 1,000 million barrels but since then this output is now flowing annually and could increase even further if political conditions improved.

Building oil production to its present level and achieving above 200,000 barrels a day of natural gas liquids has required enormous investment. In 1976 Aramco spent \$2,000m on property, plant and equipment for the oil field development programme, the electrification

scheme and the gas gathering project.

Aramco's need for good communications to run its wide empire has brought benefits for the local telecommunications network. It has built its own computer-controlled telephone exchanges in Dhahran, Abqaiq and Ras Tanura and installed additional microwave links and new trunk lines into the national telephone system.

The company also has a fleet of aircraft that might be envied by many smaller airlines. It has seven helicopters and 14 fixed-wing aircraft. Its marine fleet for use in Saudi waters is also impressively large. In 1976 it added 12 new tugs and workboats, bringing the Aramco fleet to 51 vessels.

Apart from requiring more vessels, the development of offshore oilfields has increased the company's interest in the environment. The Gulf. The company has also become a member of the Government's Environmental Protection Committee. It has established new environmental criteria, including water quality standards, and has published the results of several years of marine biological study in The Gulf.

At the end of last year Aramco's staff had risen by 5.5 per cent to more than 20,000 while the number of Americans employed dropped to about 1,700. The company has been steadily increasing its employment benefits and some aspects of these, particularly medical care, are now open to non-Aramco staff. In this sector the company has a public health and preventive medicine programme which in 1976 did research on blood diseases and the local incidence of cancer.

Aramco also guaranteed a loan for a company expanding and improving a hospital. It also provided technical assistance to 75 businessmen in 1976 through the Saudi Industrial Development and gave similar help to farmers and poultrymen in the province. Farms that received this assistance produced more than 12 million kilos of vegetables in 1976—a 25 per cent increase over the previous year.

Strict controls protect vast resources

by Frank Frazer

Were it not for Saudi Arabia's massive inland oil potential and the careful management of resources to which the authorities are committed, the waters of The Gulf off the Eastern Province would probably have become one of the hot spots in the search for offshore oil.

The rate at which exploration, development and production of offshore oil takes place in the Saudi sector of The Gulf is regulated by Aramco, the state-controlled oil operating company which now owns all present production in the zone off the Eastern Province.

Yet, despite the fact that existing projects are capable of supplementing the country's inland oil production to an extent which would meet the most strenuous peak demands, there has been no shortage of exploration in recent years to prove additional fields which some day could be developed.

Last year Aramco has had its own two jack-up rigs and two others on charter working in the concession area. While some of the wells were drilled to assess earlier finds, at least one new offshore discovery was made in 1976 to boost the total finds in that sector of The Gulf to about 12.

Best known of the fields is Safaniya. It is reputed to be the world's largest offshore oilfield with reserves of more than 10,000 million barrels. A small segment of the field is shared with Kuwait through an extension of the reservoir into the water off the Neutral Zone between the two countries.

Aramco has recently undertaken an expansion of production facilities at the field which should boost output to 2,750,000 barrels a

day, compared with the previous peak of about 100,000 a day.

The second largest producing field is the Berri discovery, which is partly on land. It has recorded daily average output of about 900,000 barrels, compared with the peak capacity of some 200,000 barrels a day which can be produced by the Zuluf field, another large find off the shore of the Eastern Province.

More than a third of the country's installed oil production capacity is believed to be situated offshore. But the fields in The Gulf have been among the first to be cut back in output at times of slack market demand.

This has economic logic, given that the cost of developing and operating an offshore oilfield is several times that of producing oil on land.

Slack demand reduced production

This was illustrated during the slack market demand in 1975 when Saudi Arabia's overall oil output was reduced to an average of 7,200,000 barrels a day compared with more than 8,500,000 barrels which had been produced in the previous year. Only about 25 per cent of the Saudi output in 1975 was drawn from the offshore fields and for a time both the Zuluf field and the Marjan discovery, which is shared with Iran, were shut down because of the market position.

On the other hand, the existence of excess offshore capacity gives Saudi Arabia increased flexibility to increase production rapidly if circumstances dictate such a policy. This looked like happening after last December's Opec meeting in Vienna when the Saudis, with the neighbouring United Arab Emirates, wanted to keep price rises to 5 per cent compared with the 10 per cent increase demanded by the others.

Some observers then speculated that Saudi Arabia would use its ability rapidly to increase production as a means of flooding the market with cheaper oil and thus undermining the sale of the more expensive oil being offered by the other states. It was predicted that the Saudis could let their production rate soar as high as 12 million barrels a day.

But this did not happen and, with the Opec split now resolved, it seems more likely that the country's output will remain in the eight million to nine million barrels a day range.

The enormous capital wealth the country has already generated and the sheer size of the income from its present rate of output, which last year made the Saudis the world's second largest oil producer after the Soviet Union, will provide for the country's massive development programme requirements for the foreseeable future.

This means there is no compulsion to rush ahead with the development of a number of the more recently discovered offshore fields in the Gulf waters which have added names like Karun, Pars, Maharah, Nihvan, Kuryan and Layhah to the oil concession maps.

Priority in offshore engineering development throughout The Gulf is being given to the schemes to minimize the flaring of natural gas rather than to produce more oil at a time when world energy demand patterns remain uncertain.

When there is a need for Saudi Arabia to develop more of the oil reserves lying off the Eastern Province, the technology required will be minimal compared with North Sea standards.

Water depths tend to be from 25 to 30 metres and platform designers need to cater for freak waves—expected only once in a century—of no more than 10 metres in height compared with waves at least three times as large that have to be expected in the North Sea.

The author is energy correspondent, The Scotsman.

KANOO Saudi Arabia



- SHIPPING AGENTS**
 - Tankers
 - Dry Cargo Vessels
 - Small Craft
 - Work Boats
- TUG AND BARGE OPERATORS**
- FREIGHT HANDLING AGENTS**
 - Clearing and Forwarding
 - Packing
 - Warehousing
- MANUFACTURERS' AGENTS & DISTRIBUTORS**
 - Construction Equipment
 - Sales and Service
 - Materials Handling Equipment
 - Sales and Service
 - Oil Field Supplies
- TRAVEL AGENTS**
- INSURANCE AGENTS**
 - All Risks Covered
- BUSINESS SERVICES**
 - Assistance to international companies in establishing operations in Saudi Arabia and the Gulf States
 - Business Advisory Services
 - Visas and Documentation
 - Local and International Purchasing
- COMPUTER SERVICES**

SAUDI ARABIA

DAMMAM/RAS TANURA/JUBAIL
RAS AL GHAR/JUAYMAH
RAS AL MISHAB/QURRAYAH
Yusuf Bin Ahmed Kanoo
P. O. Box 37, Dammam
Cables: KANOO DAMMAM
Telex: 60011 KANOO SJ
(Also through Bahrain Telex No. 8215 KANOO GJ)
Telephone 23011 — Dammam Office
73-3270/5159/7147-Ras Tanura Office

RIYADH
Yusuf Bin Ahmed Kanoo
P. O. Box 753, Riyadh
Cables: KANOO RIYADH
Telex: 20038 KANOO SJ
Telephone: 28942

JEDDAH/JIZAN
Yusuf Bin Ahmed Kanoo
P. O. Box 812, Jeddah
Cables: YUSUFKANOO JEDDAH
Telephone: 20437

YANBO
Yusuf Bin Ahmed Kanoo
P. O. Box 88, Yanbo
Cables: YUSUFKANOO YANBO
Also in Bahrain, U.A.E., Oman.

Representative
Offices in London & Houston



YUSUF BIN AHMED KANOO

يوسف بن أحمد كانو

TOYOTA FORKLIFT

Strong reliability—an exclusive range of options—excellent spares and back up service together with a low investment cost, is the formidable combination that has made the TOYOTA Forklift the success it is today.

HIGHER PRODUCTIVITY

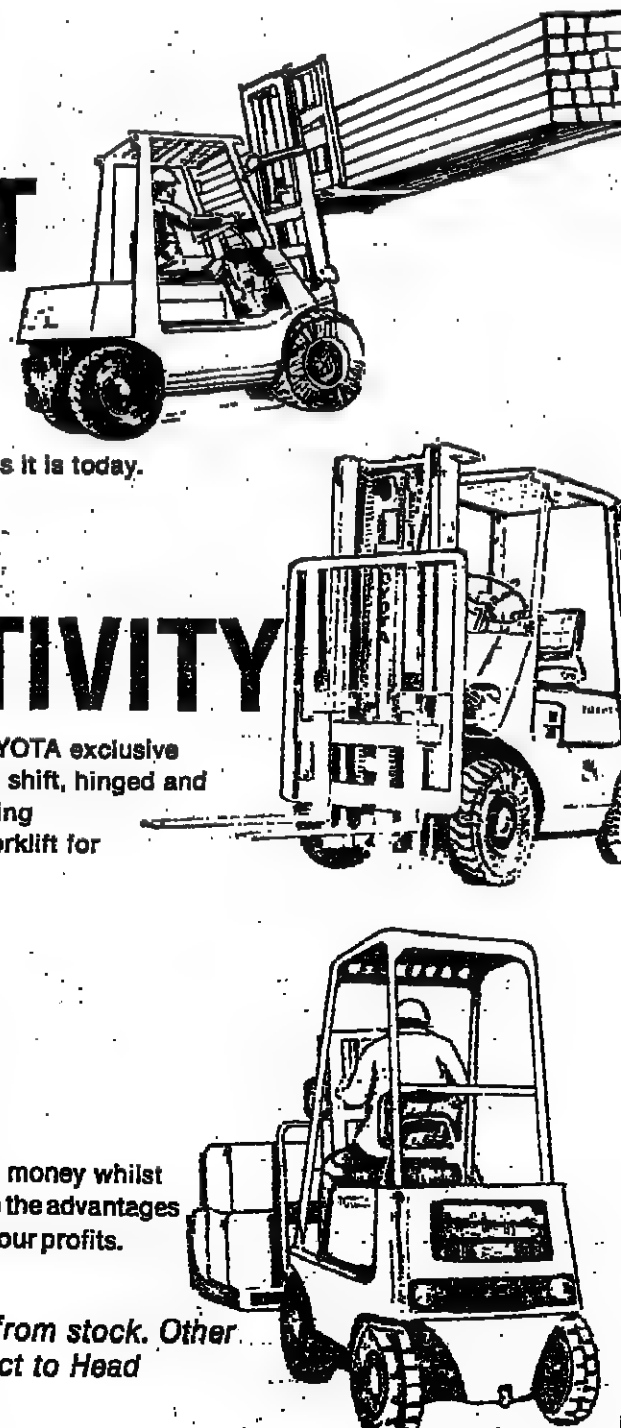
Whatever the job requirement the TOYOTA exclusive range of masts and attachments, side shift, hinged and rotating forks—bale, drum and rotating clamps etc., means a purpose built Forklift for any specific task.

HIGHER PROFITS

If you need a Forklift, you are wasting money whilst you decide, come along today and see the advantages of using TOYOTA Forklifts to increase your profits.

1.5 to 6 ton capacities available from stock. Other models are available—refer direct to Head Office, Jeddah:

ABDUL LATIF JAMEEL
Jeddah 23444—23696 Riyadh 65435 Dammam 26920



هكذا من الاجل

FOCUS ON

AGRICULTURE AND RURAL ELECTRIFICATION

Nagging doubts about real value

by David Holden

There is a legend in Al Hasa, the biggest oasis in the Eastern Province, that the Prophet Muhammad once blessed its water in return for the hospitality of its people. Certainly, the water there has flowed fresh and free for as long as men have been settled in eastern Arabia, which takes us back at least 10,000 years to somewhere before the Prophet's day.

It is not surprising, therefore, that such a plentiful and well-known source should now, in the age of oil wealth and modern technology, be the inspiration of a new search for even greater water resources in the Eastern Province and of hopes of agricultural expansion that might help significantly to reduce Saudi Arabia's overwhelming dependence on imported food supplies.

As far as is known, almost all the available fresh water in the Eastern Province is a mixture of more or less current rainfall (called "recharge" water) and ancient, or "fossil", water.

In the absence of anything but marginal local rainfall, however, both seem to derive from the same distant source—rain falling on the western mountains of Arabia, probably up to more than 20,000 years ago, and trickling down the eastward sloping areas to form vast underground reservoirs far below the eastern coast.

What is not known is the proportion of recharge to fossil water, what total quantities are available and where, how sweet any new resources may be and what sort of reserves exist.

These questions are the task now being undertaken by a British consortium at the invitation of the Saudi Ministry of Agriculture. The consortium, awarded earlier this year to Groundwater Development Consultants International (combining Hunting Technical Services and the consulting engineers Sir Murdoch Macdonald & Partners) is expected to take three and a half years to complete and will be worth £23m.

If experience in Al Hasa is any guide, the technical outlook for agricultural expansion is fairly favourable. This vast oasis, covering about 50,000 acres, is probably the most densely populated part of Saudi Arabia outside the major cities.

But Al Hasa also provides a number of lessons in how the desert can take its revenge on careless farming. Fifteen years ago, over-use of its existing resources had led the oasis to the brink of disaster.

Luckily, the decline was checked when the Saudi Government, in cooperation with Aramco, brought in foreign experts in the 1960s to begin a complete reconstruction of Al Hasa's water system.



A team from Groundwater Development Consultants International taking soil samples.

As a result, the area under cultivation has been nearly doubled, from 8,000 to 15,000 acres, and plans have been drafted to raise the eventual figure to 40,000 acres. Many new crops have been introduced including wheat, rice, maize and potatoes to join the traditional Arabian fruits and vegetables like melons.

Most of these are now rotated to give two crops a year and alfalfa—grown extensively to feed local cattle and sheep—is cut almost non-stop, once a month.

The redevelopment of Al Hasa has also attracted a number of research teams anxious to establish new cultural techniques for desert farming. A group from Taiwan is experimenting with new vegetables crops, another from the University of Braunschweig in West Germany is investigating soil mechanics and irrigation methods and a third from the University of Wales is examining the effects of irrigation on arid pastureland for sheep and cattle.

Undoubtedly the potential exists for further expansion in Al Hasa and probably elsewhere in the Eastern Province provided that money and technology continue to be available. But there remains a nagging question that is as much philosophical and social as technical and economic: will all the effort be worth while?

On strict economic grounds it might be cheaper to continue importing most of Saudi Arabia's food than to develop, at great cost, new domestic sources of supply. Fertilisers and feed concentrates all have to be imported anyway and without those any new irrigation schemes may be of little value. A startling example of the economic penalty that

can attach to increased cultivation has been nearly doubled, from 8,000 to 15,000 acres, and plans have been drafted to raise the eventual figure to 40,000 acres. Many new crops have been introduced including wheat, rice, maize and potatoes to join the traditional Arabian fruits and vegetables like melons.

Most of these are now rotated to give two crops a year and alfalfa—grown extensively to feed local cattle and sheep—is cut almost non-stop, once a month.

The redevelopment of Al Hasa has also attracted a number of research teams anxious to establish new cultural techniques for desert farming. A group from Taiwan is experimenting with new vegetables crops, another from the University of Braunschweig in West Germany is investigating soil mechanics and irrigation methods and a third from the University of Wales is examining the effects of irrigation on arid pastureland for sheep and cattle.

Undoubtedly the potential exists for further expansion in Al Hasa and probably elsewhere in the Eastern Province provided that money and technology continue to be available. But there remains a nagging question that is as much philosophical and social as technical and economic: will all the effort be worth while?

On strict economic grounds it might be cheaper to continue importing most of Saudi Arabia's food than to develop, at great cost, new domestic sources of supply. Fertilisers and feed concentrates all have to be imported anyway and without those any new irrigation schemes may be of little value. A startling example of the economic penalty that

by Roger Vielvoys

The unreliability of the electricity supply system in many parts of the Middle East is legendary. For many daily power cuts had become part of the way of life and the rapid increase in living standards over the past four years and the resulting upsurge in the use of all sorts of electrical appliances in the home, industry and commerce provoked fears at one time that the generating systems would not stand the strain and would break down completely.

But the oil revenues that brought the higher living standards have also enabled governments to invest more money in their electricity supply systems. Unfortunately for them it is much easier to buy the electrical

trimmings of a consumer society than it is to reinforce and expand the complex electricity generation and distribution networks to deal with increased demand.

Saudi Arabia, by ploughing huge sums of money into electricity generation, has so far managed to keep its supply system marginally ahead of the rising demand for power. To the surprise of many there have been remarkably few power cuts and there is growing optimism that the reorganisation of the industry will keep supply and demand roughly in balance.

A strange mixture of private enterprise and public money has been employed to ensure the country's electricity supplies. There are six large power supply companies dealing with the main centres of population but scattered throughout the

country there are a further 50 private utilities. All have received long-term, interest-free loans from the Saudi Industrial Development Fund for expansion projects, but at the same time they have been encouraged by the Government to build themselves into an integrated network linked by a national grid rather than a series of separate private enterprises.

The fund has so far approved advances to 2,000m rials mostly to the large electricity companies, although not all the money for development work comes from the state. Money from private sources is not invested with any real risk attached since the Government guarantees what it terms a fair return on investments.

Through large subsidies the Government is able to guarantee that operators in the urban areas can make a

7 per cent return and their smaller country counterparts a 10 per cent return. More than 770m rials have been reserved for subsidies which enables the utilities to keep tariffs down to 0.07 rials per kWh for domestic users with industrial customers faring even better.

Any analysis of the country's power system showed the need for integration. The network was completely fragmented with two different working voltages and two grid frequencies, making it almost impossible for one part of the country to assist another during peak demand periods.

Standardization combined with a national grid could give the basis for expansion that was needed, if it was to meet the target of expanding the generating capacity by 3,300 megawatts by 1980. That is more than double the figures of the mid-1970s

and would increase the number of people served by the electricity companies from 2,300,000 to nearly four million.

To handle a project of that size—the probable cost is about 8,000m rials—the Ministry of Industry and Electricity was reorganized. Initially the plan is to ensure that the regions of Saudi Arabia become integrated internally and later to connect them through a national grid.

In the Eastern Region the job of integration was given to the Arabian American Oil Company (Aramco), the biggest industrial task force in the area and one with unique knowledge of local conditions. It was particularly important that investment was spread widely and expertly carried out in view of the plans to concentrate large industrial complexes which are being built around the country.

While the Saudis are using more and more natural gas for electricity generation, it is a fuel that is being removed from the power stations in Europe and North America. Saudi Arabia will also have a source of power generation that will not be generally available outside the Middle East—water desalination plants.

In an effort to ensure that best use is made of available resources, the Government has ruled that the waste heat from the distillation process should be channelled into an associated power generation plant. The first big desalination plant in Jiddah has an electricity generating capacity of about 50 MW and an expansion of the plant will add another 80 MW. Similar amounts of power will be available from the series of other desalination plants which are being built around the country.



THE ABDULLA FOUAD CORPORATION

ANNOUNCES TO ALL CONTRACTORS OPERATING IN THE EASTERN PROVINCE



After Sales Service and Parts available
FOR FURTHER INFORMATION PLEASE CONTACT MR. TARIQ HAIDER
SUPPLY SERVICE & HEAVY EQUIPMENT DIVISION.

عبد الله فؤاد

THE ABDULLA FOUAD CORPORATION

P.O. BOX : 257 CABLE : FOUAD-DAMMAM TELE : 60027 FOUAD SJ TEL : 24400 - 21360
DAMMAM - SAUDI ARABIA

If you think Middle East travel is a problem, forget about it.

As the world's largest travel agents, Thomas Cook are ideally placed to sort out all your Middle East travel problems.

As well as already having offices in Lebanon, Iraq, Egypt, Bahrain and Kuwait, we're planning to open shortly in Saudi Arabia and elsewhere in the Middle East.

Travellers cheques, hotel booking, group travel, passports, visas: at Thomas Cook we offer every travel service you could ever possibly need.

That way, you can get on with what you're good at. And leave the rest to us.

Thomas Cook

The trusted name in travel. Everywhere.

FOCUS ON

THE RAILWAY, THE OVERLAND ROUTE TO EUROPE AND MANPOWER NEEDS

Superb views from slow train to Riyadh

by David Shirreff

Time-conscious businessmen and oil executives do not take the train from Dammam to Riyadh. Travelling on Saudi Arabia's only operating railway is a pleasure reserved for people with eight hours to spare to do the journey of 562 kilometres.

The train leaves unpunctually at midday from Dammam. At the same time a second train departs from Riyadh, the other end of the single track line. The two trains cross in the middle of their journey at a point where the line is double for a short distance.

After 8 pm, when both passenger trains have safely reached their destinations, the line is reserved for freight.

So only a small proportion of the goods transported to Riyadh reach it by rail. Most is hauled in by lorry from Jiddah, Dammam or overland through Jordan.

Thinking that the train would be full, I called at Dammam station to buy my ticket the day before I intended to travel. There was no need, I was told. I should simply turn up the next day at noon. Friends had advised me to go first class, in air-conditioned luxury.

As I turned up, late, the next day, people and bundles were being hauled into the carriages. There were no Europeans. Most of the passengers were flowing white shobas, some cleaner than others. Children clung to their mothers. The first-class carriages were still quite empty, and compared with the temperature outside, almost chilly.

The train moved out of Dammam, picking its way through depots of timber and lorries, passing the real freight junction that led to

the busy port, and off south-west to the first bank of low hills. Although the air-conditioning was comfortable, mist had built up between the double-plating, obscuring most of the view. I moved out to the end of the carriage where there was an open platform with all-round vision.

That is where I stayed for most of the trip, although it was like sitting in a hot oven, with glare and dust attacking the eyes.

The view was superb. As we progressed at little more than walking pace I saw the huge compounds of equipment stored by the Arabian American Oil Company (Aramco). Regimental rows of oil pipes were stacked like drinking straws, and acres on acres of lorries, drilling gear and cables were all neatly grouped behind wire.

The train continued to climb and before long it was skirting desert sand dunes; huge smooth and muscular shapes, some rounded, some with sharp ribs and precarious-looking crests.

It seemed that every year or so the railway must be engulfed by the inexorable progress of the dunes.

On each side of the track the sand had been stabilized by long gobs of crude oil hardened in the sun. Jeep tracks ran alongside the train. I thought that we would soon find ourselves in virgin desert where not a mark was to be seen since the making of the railway, but I was wrong.

At almost every stage in the journey there was evidence of man-made things. There was the distant pall of a gas flare, hints of a road, primitive huts made of railway sleepers, a pipeline.

Abqaiq slipped past to the south, a huge complex of gas flares, smoke billows, domes, tanks and pipes. The road followed us into Abqaiq town. Lorries and cars chased in both directions like toys, then the road veered off to the west and left us to continue south towards the edge of the real desert, the Empty Quarter.

At times, as the train climbed uphill, it progressed so slowly that I could have got down and walked beside it. The contours and colours of the rocks changed subtly as the train slipped by.

On the right of the track a strange settlement of white plastic igloos appeared. Further on there was the white-powdered chaos of a gypsum plant, snowing over several acres of the surrounding desert.

We came to Al-Hufuf, the biggest oasis in Saudi Arabia. A tawny green carpet of palm trees seemed to stretch for miles over the plain. A crowd of new passengers with bundles got on. The carriage had completely filled up with families and old men. Syrian vet talked about his drilling gear and cables were all neatly grouped behind wire.

Beside us the old men appeared to be having a religious discussion, or rather, they seemed to be delivering long homilies in turn, punctuated with invocations.

It was just before the annual Haj and they were on their way to Mecca. Three or four times during the journey a muezzin's call would sound from the next carriage. The old men rose and filed into a wagon with several prayer mats on the floor. After five or ten minutes of prayer they came back.

Haradh, nothing more than a collection of huts, is the southernmost point of the railway. After that the line turns west towards Riyadh. The Syrian was picked up by Jeep and the rest of us got off the train to stretch our legs. The bustle suggested that the arrival of the train was a great event, though it happened every day.

The train stopped at Al-Kharj, after which the distant lights each side of the track suggested habitation all the way into Riyadh.

We arrived at the Saudi capital at about nine o'clock, and the only means of getting into town was a taxi, which cost about the same as the rail ticket: from Dammam.

by Rodney Wilson

Although port congestion has eased at Dammam, the overland route for sending freight to the Eastern Province is still popular. For exporters the main attraction is that it is much faster than shipping, and even rivals air freight when collection and delivery times are taken into account.

Asran, the oldest-established British firm in the Middle East road haulage business, quotes its clients a journey time of 12 to 15 days from the South-east of England to any destination in the Jubail-Dammam-Hofuf area. This is a great improvement on the journey time 18 months ago when there were long delays on the Turkish and other frontiers.

Now the customs officers are accustomed to dealing with the greatly increased volume of overland traffic from the Middle East, the frontier congestion has been eliminated and fast transit times can be almost guaranteed.

As far as the Eastern Province is concerned, road transport represents probably the safest way of ensuring that a consignment arrives intact, as with most British hauliers it is escorted throughout by just one experienced British driver, rather than passed from one handler to another.

The advantage is greatest for small loads, where a group service is offered by the overland hauliers. In the case of Saudi Arabia this type of service is particularly effective, as once a consignment is cleared at the border it can make any number of stops without further customs checks. By contrast, in Iran there are checks at each offloading point for group loads, which can lengthen the journey time to the final destination considerably.

The usual route to Dammam from Europe is through Turkey, Syria and Jordan, rather than by Iraq. The Iraqi often delay unnecessarily loads destined for the Gulf coast as a result of the strained political relations with their southern neighbours, and there are usually difficulties in obtaining the necessary visas for drivers.

To avoid this uncertainty most hauliers prefer to deal with the Syrians and Jordanians, and the latter especially are keen to encourage the use of their country for transit purposes as this earns them useful foreign exchange.

Recently these earnings have been increased as Syria and Jordan have followed Turkey's lead by introducing transit taxes. These are levied at 0.5 per cent of the cost insurance freight value of the consignment in the case of Jordan, while the Syrians ask for 0.3 per cent of the c.i.f. value.

This has led to some arguments as freight valued at £20,000 in Britain for example may be valued at £30,000 in Syria or Jordan because of the high tariff levels they impose on imported goods.

Hauliers and their clients should check on this before sending loads overland to Dammam; if there is any ambiguity over the value of consignments, disputes seem certain.

From the Jordanian border the usual overland route to Dammam is along the Top Line by way of Turbat, Arar, Rafia and Qadum. Despite the harsh desert conditions and the rugged nature of the terrain, this is one of the fastest sections of the whole trip, as the road is well-surfaced.

The standard of Saudi roads is high and improving, with \$2,936m being spent on road construction during the course of the present five-year plan, and \$648m on road maintenance.

The largest single communications project in the Eastern Province will be the building of a 24-mile causeway linking Bahrain with the Saudi mainland. When completed the \$300m causeway will mean that over-

land haulage operators to the Eastern Province will also be able to offer Bahrain as a destination for their group services. This should provide the port of Bahrain with some healthy competition.

During the past year the overland hauliers have been facing increasing competition from roll-on roll-off services. These are a more attractive proposition for the western part of Saudi Arabia than the east, however, as only Jiddah and Yambo have facilities for this type of operation and the voyage to Dammam is more lengthy in any case.

Nevertheless, some forwarding agents offer a service to the Eastern Province via Jiddah, as there is now an excellent east-west highway linking Jiddah with Riyadh and the Jubail-Dammam-Hofuf area. Despite this the service still takes up to 20 days, which is significantly longer than the direct overland route from Europe.

The increasing use made of the Suez Canal by roll-on roll-off vessels is posing a threat to the overland hauliers to Saudi Arabia, especially with regard to their full-load services, but at the same time the volume of freight is such that other services are being developed which may help the haulage industry's long-term prospects.

Roll-on roll-off services are now operating from Felixstowe and Marseilles to the port of Latakia in Syria, and Beirut hopes to handle roll-on roll-off loads soon now that peace has been restored. From Syria the loads are sent overland direct to the Eastern Province by way of Jordan, thus saving the Suez Canal dues.

For fairly high-value freight the direct overland route to the Eastern Province remains economically attractive, especially the group services for small loads.

Dr Wilson of Durham University is a specialist in Middle East economics.

Saudis not too happy at immigrant invasion

Saudi Arabia has become almost completely dependent on immigrant labour to undertake its ambitious new development projects, and nowhere is this more evident than in the sparsely-populated Eastern Province.

As the centre of the kingdom's enormous oil industry, the province has had more experience of dealing with immigrants than the other parts of the country, especially non-Arab labour.

Most of the 1,200 Americans working for Aramco, for example, are found in the Eastern region, often living in isolated settlements in the desert far away from the important centres. Historically, these centres themselves, such as the port of Dammam and the city of Dhahran, owe much of their growth to an influx of foreign labour, especially Indians and Pakistanis from further east.

Today the greater Dammam area, including Dhahran and Al-Khobar, boasts a population of more than 175,000, making it the third-largest urban area in the country, while nearby Hofuf has expanded to more than 100,000 inhabitants.

Despite the high wage and salary levels prevailing in Saudi Arabia it is not always possible to find workers easily, especially those with skills to offer. This is a particular problem in Eastern Province, as it is distant from North Yemen, the main source for the kingdom's manual workforce.

At the same time many of the Iranians formerly resident on the Arab side of the Gulf have now returned to their own country as a result of the Iranian labour market conditions there, and substitutes are not readily available. To some extent the gap is being filled by new arrivals from the Indian sub-continent, and recently a consortium of Indian companies opened a business development office in Dammam.

This aims to win contracts and sub-contracts in the Eastern Province and beyond, and the Indian firms involved are only too keen to provide all of the necessary labour.

The Saudis are not entirely happy about seeing large numbers of Indian and Pakistani arrivals, despite the latter being fellow Muslims. Elsewhere in the Gulf these immigrants have established their own sub-culture within the societies, and it seems doubtful if the majority will ever leave even when the demand for labour eventually slackens.

More than 65 per cent of the 128,000-strong Saudi workforce is made up of immigrant workers, and their numbers have almost doubled during the past three and a half years since the marked increase in petroleum revenue. In the oil-rich Eastern Province the proportion of immigrants is particularly high, as so many new projects are being put into effect simultaneously. Development of the industrial estate of Dammam, for instance, will increase demand for labour substantially, as it is the largest in area in the entire country, with 32 industrial lots rented already, and seven plants under construction.

Another estate is planned for Jubail, where two refineries, a petro-chemical plant and a giant steel works are to be located. The expected labour force requirements for the Jubail area alone are expected to exceed 24,000 workers. In addition large numbers of unskilled labourers will be needed for public service projects including the Saudi-Bahrain causeway and port development at Jubail, Ras al-Qar and Dammam. Nine hundred Egyptians have recently been contracted to work on the latter.

The large influx of immigrants has led the National Security Council in Riyadh to fear that Saudis could soon be a minority in their own country. Yet there is a

reluctance to slow the pace of development, and as the Saudi legislation which stipulates that local citizens must comprise three quarters of the workforce in each enterprise is still being held in abeyance, those undertaking projects in Eastern Province do not have to conform to this regulation.

Prospective employers of immigrants do, however, have to satisfy the authorities that no Saudis are available to carry out the work, and that suitable training schemes will be arranged for local citizens to enable them to take up permanent employment eventually in any enterprise established. Employers are also expected to arrange accommodation for their workforce, which can prove difficult in the towns of Eastern Province, where demand in the housing market is well in excess of supply.

Fortunately the situation will be relieved by the end of next year when OGEH of the Netherlands completes its \$3.7m contract to build 32 blocks of flats in Dammam, each with 18 storeys. Other important contracts in Eastern Province include 4,140 housing units in Al-Khobar, and 500 units in Qatif.

One of the most interesting developments in the past three years in Eastern Arabia has been what is commonly spoken of as the Korean invasion. Faced with a massive balance of payments deficit caused by the rising price of oil imports in the aftermath of the 1973-74 crisis, the Saudi Government decided to make a determined effort to increase its penetration of the Middle Eastern market.

Hence South Korean construction and engineering firms were encouraged to tender for Middle East contracts, and in this they met with considerable success. From a modest but encouraging start in 1974, when earnings amounted to \$100m, the figure rose to an impressive \$750m last year.

R.W.

Rezayat Trading Establishment

serving commerce and industry in Saudi Arabia and throughout the Gulf and providing service and expertise across a broad range of activities.

Mechanical and Electrical Engineering
Trucking and Plant Hire
Camp Construction
Heavy off-road Transport
Pipe and Structural Steel Fabrication
Precision Engineering

Camp Management and Industrial Catering
Shipping and Container Service
Port Handling
System Built Housing
Arabians
General Trading

Other Alireza Group Companies

Wholly Owned

Saudi Arabia
Rezayat Trading Co. Ltd., Al Khobar
National Contracting Co. Ltd., Al Khobar & Riyadh
National Construction Co. Ltd., Al Khobar & Riyadh

Kuwait

Rezayat Trading Co.
National Contracting Co. Ltd.
National Drilling Co. Ltd.
International Tank & Pipe S.A.K.

United Arab Emirates

National Contracting Co. Ltd., Abu Dhabi, Dubai & Ajman

Sultanate of Oman

National Contracting Co. Ltd., Seeb International Airport

Europe

Rezayat Europe Ltd., London and Paris

Joint Ventures

Saudi Arabian Engineering Co. Ltd., Al Khobar (SAECO)
Saudi Arabian Fabricated Metals Industry Ltd., Al Khobar (SAFAMI)
Arabian Mechanical Engineering Co. Ltd., Al Khobar (AMEC)
Rezayat & Williams Construction Co. Ltd., (RAWCON)
Brown and Root-Alireza W.L.L. (BRALCO)
Lammalco Ltd., Kuwait
Gulf Offshore Charters Ltd., Kuwait
Transmarine Services Ltd., Kuwait
Crescent Transportation Co. Ltd.

Joint Ventures Under Formation

National Pipe Company Ltd.,
Rezzcan Coatings and Linings Ltd.,
National Aggregate and Asphalt Company, Kuwait
National Aggregate and Asphalt Company Ltd., Saudi Arabia
The Arabian Badger Company Ltd.,
Corrosion Prevention Arabia Ltd.,
Rezayat and Sparrows Crane Hire (M.E.) Ltd.,
Saudi Arabian Port Handling Services Ltd.,
Streif Arabia Ltd.,

The Alireza Group

Rezayat Trading Establishment,
P.O. Box 90, Al Khobar, Saudi Arabia.
Telephone: 41066 Telex: 67006

Rezayat Trading Co.,
P.O. Box 106, Safat, Kuwait
Telephone: 439596/7 Telex: 2070

Rezayat Europe Ltd.,
52 Mount Street, London W1Y 5RE.
Telephone: 01-499 6171 Telex: 25997

Rezayat Europe Ltd.,
34 Avenue George V, Paris 75008
Telephone: 720 86 56 Telex: 641542

FOCUS ON

MINERAL AND BUSINESS PROSPECTS

In search of long-term prosperity

by Desmond Quigley

Several mineral exploration teams are working in Saudi Arabia to assess the possibility of establishing a new base for the country's prosperity in the post-oil era, and also in the hope of validating the vision of Shaikh Ahmed Zaki Yamani that the kingdom will become one of the world's biggest exporters of minerals in the next 20 years.

The search for base and precious metals, as well as for an alternative energy source, uranium, can be seen in terms of generating another principal exporting industry and also in forming part of the infrastructure for a new and broadly diversified industrial economy.

The traditional base metals for heavy industry—copper, lead, zinc, iron and nickel—are being sought, as well as gold and silver. Much of the work is situated to the western side of the country—the Precambrian Shield which forms part of the Afro-Arabian Swell—where there are known occurrences.

In the Eastern Province, which is geologically very different from much of the rest of the country, having younger rock, the exploration is likely to be devoted chiefly to the winning of industrial minerals. The eastern cover rock could be a source of limestone, gypsum, clay, salt and phosphates.

Knowledge of the kingdom's potential mineral wealth is severely limited; hence the variety of exploration work under the current development plan. Riofinez, a subsidiary of Rio Tinto-Zinc, has set up a geological mission to complement operations of existing surveyors. Consolidated Gold Fields is prospecting to the north of Jiddah.

In the past the accent has been firmly on exploration for oil and water, and while

evidence of other minerals were sometimes found, the investigations were not carried through because they were subsidiary to the main searches.

It is thought there could be uranium in the Eastern Province. Uranium occurrences are known in pockets on the Precambrian Shield and it is thought that through weathering, some uranium may have been redeposited off the shield and in the province.

At this stage geologists say that available data makes the prospect of uranium being found in the Eastern Province a "good theoretical target".

Information on uranium frequently sparse

Uranium being the most political of all minerals, information is frequently difficult to come by and references to it tend to be subdued. When Shaikh Yamani spoke a year ago of his hopes for the country's mineral potential, he made reference to "chemically active minerals", which was taken by observers to be a diplomatic euphemism for uranium.

As if to back up the view that not all that is known about uranium occurrences has been announced, geologists find it somewhat curious that there is such a deafening silence despite the fact that there has been so much oil exploration in this oil-bearing province, and particularly since there are known occurrences in the United Arab Emirates.

Discovery of traces of uranium should stimulate more interest than, for example, phosphates. That is, of course, on the assumption that oil drilling did turn something up, but given the present view of a "good theoretical target", some geologists are taking the view that if only by the law of averages, something should have been found.

If uranium is found in the Eastern Province, it is thought that it will most

likely occur in large low-grade deposits. Phosphates seem to have a strong chance of being discovered in commercial quantities in the province. There are extensive deposits being worked to the north in Syria, Iraq and Jordan.

The country has one fertilizer plant, producing urea from ammonia. An ambitious extension of the country's capacity was planned but later shelved because of large capacity increases in other countries. As it turned out the decision proved to be well timed, since the market for fertilizer has subsequently collapsed because of recession and over-production.

However, significant discoveries of phosphate could lead to plans for the fertilizer construction industry. As the country is expanding rapidly and industrialization will indefinitely increase demands for construction materials, this would lead to a significant saving of imports if a viable industry could be developed. There is also potential for lead, zinc and copper discoveries.

The search for minerals should not be allowed to obscure the large-scale exploration for water now being undertaken. Water resources become increasingly important as the country develops. Water is needed not only for agriculture but also for mining and heavy industry.

Its importance to industry can be seen from the fact that the country's fertilizer plant ran into major production problems when brackish water used in the cooling system caused severe corrosion.

A £325m contract has been awarded to Hunting Surveys to evaluate the water resources of a large aquifer and the potential for development of irrigated agriculture throughout the Eastern Province.

Chances for North Sea skills

by Frank Frazer

Any businessman seeking opportunities in Saudi Arabia's Eastern Province will sooner or later come face to face with the oil and gas industries.

By far the largest buying agency in the region is Aramco, the state-controlled company responsible for developing, producing and maintaining most of the country's oilfields.

Though it arranges some of its purchases through branch offices in The Hague and Houston, most buying is done through the purchasing headquarters in Dhahran, in the Eastern Province.

The activities of Aramco have become of growing interest to British firms, particularly those who are looking for export outlets for technology pioneered in the North Sea. Aramco has control over more than a dozen offshore discoveries in the Saudi sector of the Arabian Gulf, including the giant Safabiyah field which has estimated reserves of nearly 12,000m barrels of oil.

The prospects for selling British oil and gas technology to Saudi Arabia and other Middle Eastern States have been studied recently by the Offshore Supplies Office, the government agency set up to encourage and help firms to enhance their share of a market in which wide expenditure is expected to reach £5,000m a year by the 1980s.

While opportunities in the Gulf will be an important component in the overall market, the technological demands are not going to be as borrowing as those of the North Sea. Water depths in the Gulf tend to be less than 50 metres compared with depths of more than 200 metres being tackled by those exploring beneath the North Sea.

Similarly, off-shore structures installed in the Gulf are unlikely to be faced with waves more than 10 metres high compared with the freak waves of 40 metres which have been known off British shores.

From the beginning it was obvious that the Gulf was not going to produce a market for the large and sturdy platform structures which have been made specifically

for North Sea conditions. There are already fabrication yards at Dubai and elsewhere in the region that can look after most of the required construction.

But that does not rule out the possibility of North Sea firms selling their skills in other areas of offshore technology. In particular there could be an outlet for services to minimize the risk of offshore pollution. The Gulf states share a common interest with their North Sea counterparts in wanting to safeguard fertile fishing grounds. There are probably opportunities also for offering other skills which improve the general safety of offshore operations.

A further area of opportunity for the specialist contractor could be the provision and maintenance of equipment to deal with gas found with oil both on land and at sea.

Anyone wanting to do business in Saudi Arabia, or elsewhere in the Middle East, must take account of local custom and commercial practice. Aramco, for example, follows a policy of buying locally where possible in keeping with the Saudi Arabian Government's requirement that preference should be given to home industry.

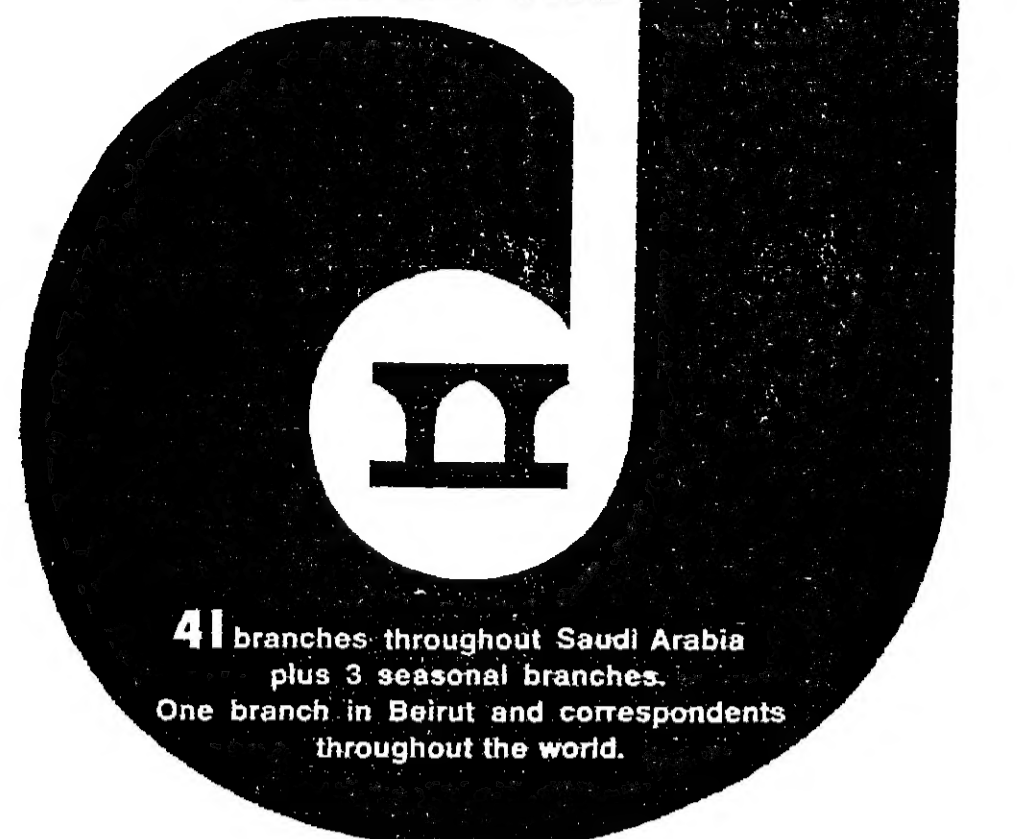
There are, of course, many services which cannot be provided locally. But Aramco is not new to the oil and gas business, having gained many years experience in partnership with leading multinational oil companies. Officials of the company are well versed in the procurement business.

For that reason the Offshore Supplies Office is keen to caution firms that an established operation like that of Aramco will not prove the easiest of markets for unknown firms to penetrate.

Aramco uses its own standardization procedures based on United States specifications. Goods being offered for sale require to conform to the established standards and have to be submitted for formal approval. Consideration will also be given to the availability of local servicing and the stocking of spare parts in making an economic evaluation of new products.

The author is energy correspondent, The Scotsman.

THE NATIONAL COMMERCIAL BANK LEADS THE WAY

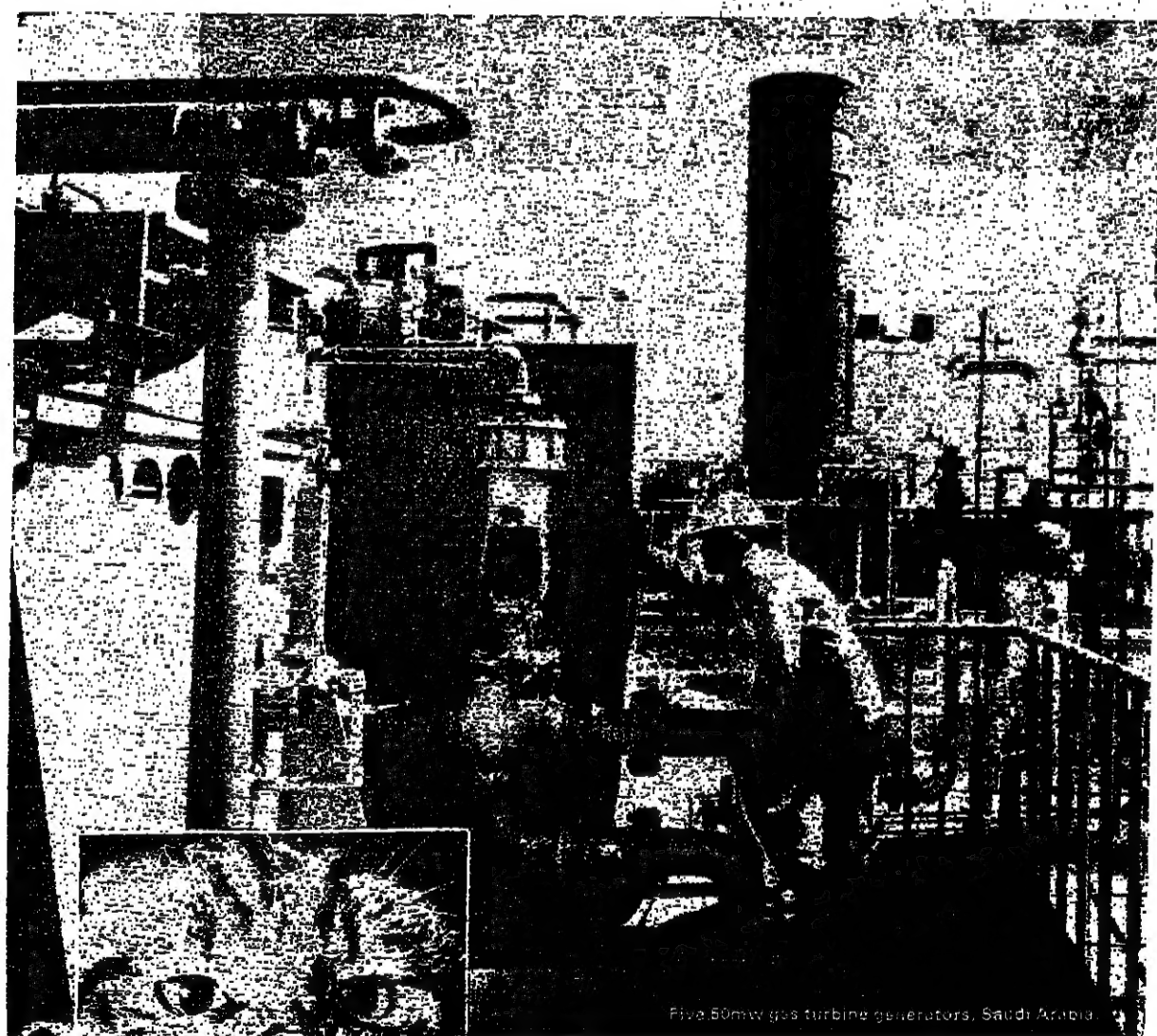


41 branches throughout Saudi Arabia plus 3 seasonal branches. One branch in Beirut and correspondents throughout the world.

BALANCE SHEET AS AT 31st DECEMBER 1976 IN MILLION RIYALS

	1/1/1976	21/12/76		1/1/1976	21/12/76
LIABILITIES	SR Millions	SR Millions	ASSETS	SR Millions	SR Millions
Capital & reserves	327	403	Cash funds & short term deposits with banks	3164	6455
Deposits & current accounts	4669	5077	Loans & advances	1697	2035
Borrowings from banks	185	242	Investments	203	241
Other liabilities	224	470	Fixed assets	104	101
Sub totals	5527	10367	Other assets	257	474
Contingent accounts	3857	3805	Sub totals	5527	10367
GRAND TOTALS	9384	19192	GRAND TOTALS	9384	19192

THE NATIONAL COMMERCIAL BANK
Head Office: P.O. Box 3555, Jeddah-Cable: BANKSAUDI,
Telex: 40102 NCB FOREX and 40086 NCB GEN.



Count on C.A.T. for experience...

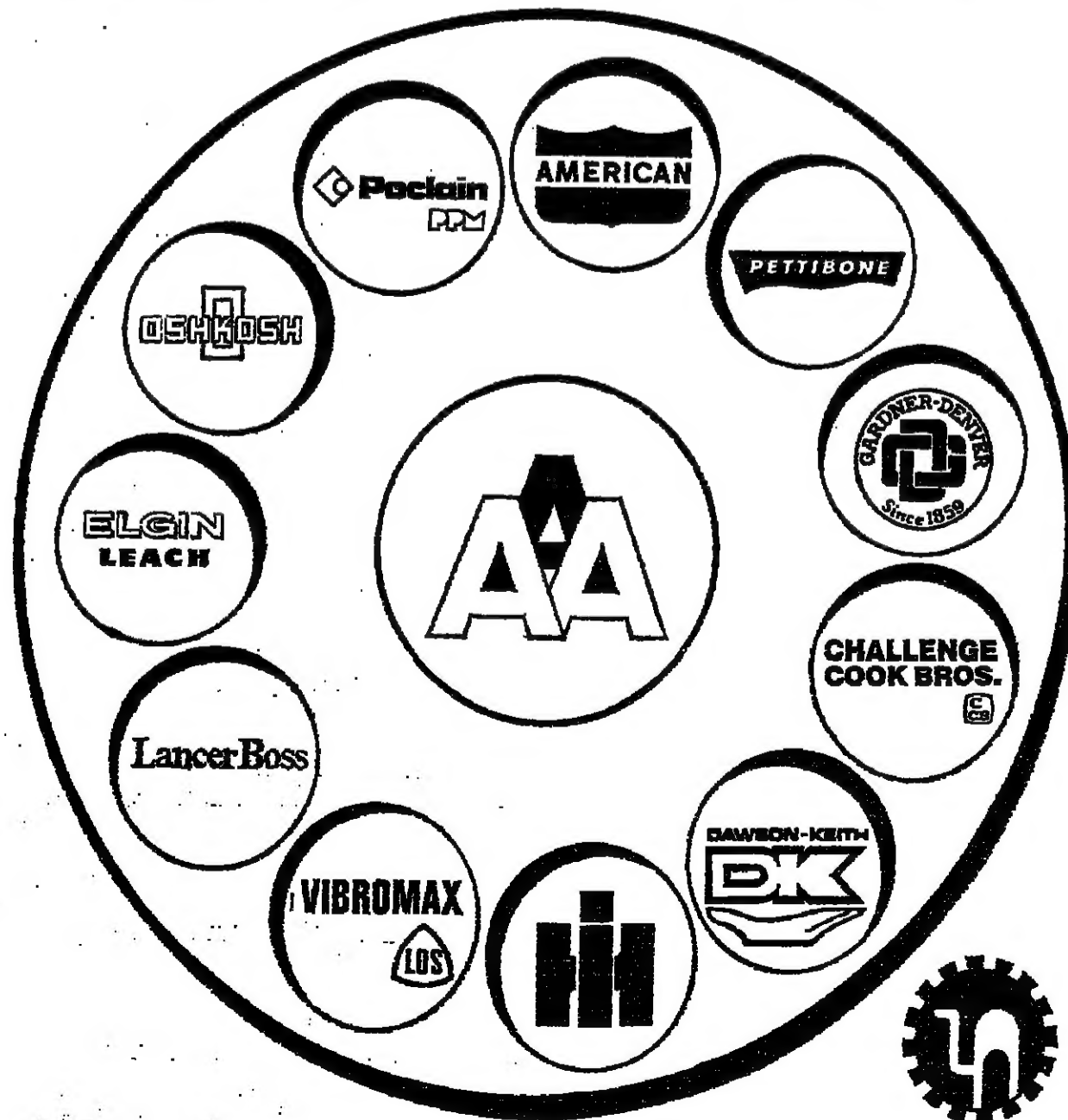
...that backs technical ability with local know-how to get even the most difficult jobs completed on time



C.A.T. & MOTHERCAT
Pipeline and Process Plant Constructors and Civil Engineers
P.O. Box 11-1036, Beirut, Lebanon. Telex: CAT 20816 LE
P.O. Box 333, Al-Khobar, Saudi Arabia. Telex: 87029
P.O. Box 121, Sharjah, U.A.E. Telex: 8014 CAT SH

c/o Incoates Ltd., 1 Gt. Cumberland Place, London W1H 7AL Telex: 21128

ARABIAN AUTO AGENCY



TRIPLE A LEADERS IN SALES-SERVICE AND PARTS AROUND THE KINGDOM

JEDDAH: P.O. Box 2223, Tel. 20380/21548, 39132
Telex: 40106
RIYADH: P.O. Box 3691, Tel. 65492/65493,
Telex: 20138
DAMMAM: P.O. Box 2111, Tel. 23251
Telex: 60123

FOCUS ON

THE PAST AND FISHING IN THE GULF

'Christmas trees' that form a landmark in Arab territory

by David Holden

Sticking out of the ground in the middle of the low dome of rocky hills that overlooks the Gulf port of Al Dammam there is a modest little arrangement of pipes and valves of the sort that oilmen call a "Christmas tree".

There is nothing unusual about it: hundreds, if not thousands, of similar contraptions are scattered across the face of Saudi Arabia's Eastern Province, from the Kuwait frontier to the edge of the Empty Quarter. A Christmas tree is simply the visible apparatus of an oil well where the underground pressure is sufficient to force the fluid to the surface without an artificial pump.

This particular tree is rather special, nevertheless. A bronze plaque in English and Arabic explains that it is the first commercial oil well ever "brought in" on Saudi territory. Called Dammam No 7—for it was the seventh hole to be drilled after six dry ones on the so-called Dammam Dome—it gushed its first oil on March 4 1938. Forty years later it has produced 22 million barrels of oil and is still producing about a thousand barrels a day.

Dammam No 7 is the most important historical landmark of the Eastern Province. As the fount and origin of the entire Saudi oil industry, it represents the start of economic and social transformation without parallel in modern times. Yet it would be a mistake to suppose that just because oil now dominates the life of the Eastern Province there was no history to speak of before it was discovered.

On the contrary, the story of human occupation in the province goes back at least

10,000 years to the Stone Age people whose flints and other relics have been found in many oasis sites, from Jabrin in the south and Qatif in the north to Al Hasa, the biggest of all the Arabian oases, from which the Eastern Province takes its common, Saudi name.

From then until the present century those oases—and Al Hasa in particular—were one of the two chief keys to life in eastern Arabia. The other was the sea; and for at least the past 5,000 years, from the time of the Sumerian empire, the two were linked in a network of trading posts and sailing routes that stretched throughout the Gulf, from Mesopotamia to the shores of India, and sometimes farther still.

The isolation so characteristic of central Arabia was never, therefore, part of the eastern heritage, and several foreign empires left their mark upon the province. Greek ruins of the Seleucid period are plentiful, especially near the Qatif oasis inland from Jubail.

The Persians were responsible for the large community of Shiite Muslims in Al Hasa—the only substantial group of non-Sunni Muslims in Saudi Arabia, apart from the left-over pilgrims of the holy places—and both the Portuguese and the Ottomans have left substantial fortresses from their years of coastal occupation.

These eastern links with a wider world were always prone to interruption, however, through the raids of the lawless Beduin of the Arabian interior; and it was when these tribes were at last united under the original proselytizing movement of Muhammad ibn Abdul Wahhab in the eighteenth century that what is now the Eastern Province first came under Saudi rule.

Abdul Wahhab's alliance with Muhammad ibn Saud, one of the many sheikhs of the Najd, swept all before it.

By the start of the nineteenth century the House of Saud and its Wahhabi cohorts had imposed their rule from coast to coast of the peninsula and were exacting tribute from tribes as far apart as the fringes of Oman and the outskirts of Baghdad. But their relentless expansion went too far. In the west it met the resistance of the Turks, who sent Ibrahim Pasha from Egypt to crush Saudi power in the Najd. In the east it was confronted by Britain's growing sea power, which checked Wahhabi piracy in the Gulf.

First European crossing of peninsula

Between them the two empires brought the first Saudi state to an ignominious end. In the process, they also inspired one of the oddest and most awesome of European journeys in Arabia when Captain George Forster Sadleir of the 47th Regiment of Foot was dispatched from Qatif to try to make contact with Ibrahim and invite him to join in a final attack on the Wahhabi ports of the Gulf. Poor Sadleir never did catch up with Ibrahim, who was apparently intent on getting back to Egypt from the Najd as soon as possible, but in his quest he covered 1,000 miles in 84 days and completed the first recorded European crossing of the peninsula from The Gulf to the Red Sea.

Forty years later, a Saudi renaissance, once more brought Wahhabi power to the Gulf coast, only to be crushed again when the Turks abruptly occupied the whole of the eastern region from Kuwait to Qatar in 1871. It was not until 1913, 11 years after Abdul Aziz ibn Saud had begun the third Saudi revival with his capture of Riyadh from the Rashids of Hail, that Al

Hasa once more—and finally—fell to the House of Saud.

Then, with a characteristic during assault on the Turkish fort at the oasis town of Al Hufuf, Abdul Aziz forced the partition to surrender and marched the Turkish troops off to the coast to be delivered into British hands.

His success was probably crucial at that time. It simultaneously enriched his empty treasury with the taxes from the eastern oasis and enabled him to establish closer contacts with the British in The Gulf to whom—unlike his predecessors—he turned consistently for help and protection over the next 20 years.

Al Hasa proved, however, an uncomfortable acquisition at first. Torn by persistent tribal rebellion it required repeated martial forays by Ibn Saud himself to hold it, accompanied by the stern repression by his trusted cousin and appointed Governor, Abdullah bin Jiluwi. The latter's reputation for ruthlessness combined with traditional desert honour has now passed into Saudi legend.

As stability was gradually established under bin Jiluwi's command, the modern world began to move into the eastern territory. Motor cars, aircraft and the radio arrived to help in the suppression of the last uprisings and, eventually, to tame and chart the desert in the hands of the oilmen.

By 1933 the first Americans had come ashore at the little port of Jubail to begin the first proper geological survey of the region and by 1936 the Dammam Dome was already riddled with unsuccessful drillings.

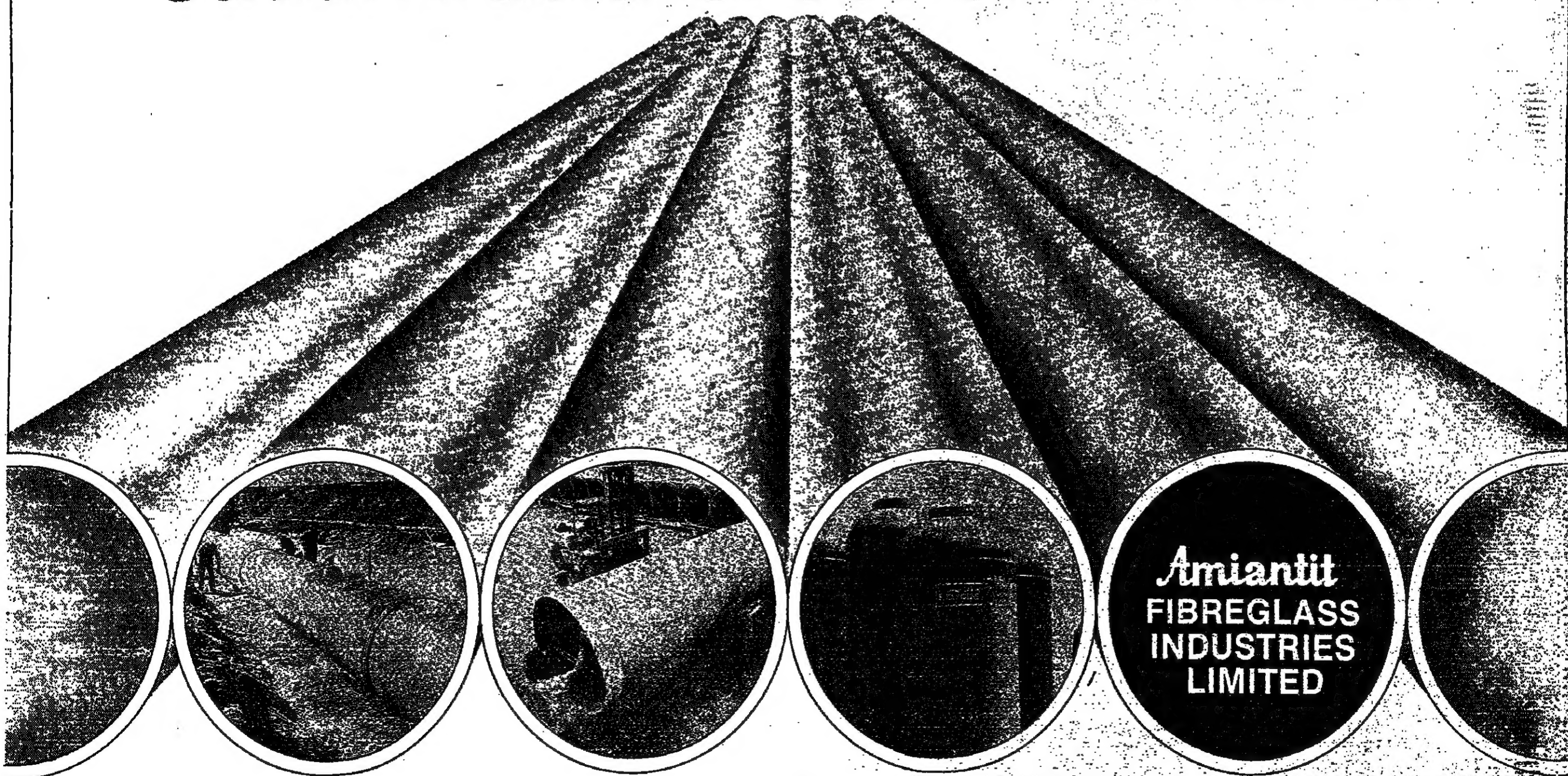
When Dammam No 7 came good two years later it sealed Saudi Arabia's modern fate, for it was the harbinger of all those unprecedented riches that now tie the entire kingdom, through its Eastern Province, to every corner of the world.



The British White Fish Authority is engaged on a programme to develop the fisheries of The Gulf coast and the Red Sea, in cooperation with the Saudi Arabian Ministry of Agriculture and Water, to increase food production, reduce imports and develop rural areas. Above left: a technical discussion aboard the research vessel Ibn Majed during Red Sea trials. Above right: the wholesale fish market at Qatif. Left: fisheries research vessel FRV-1 carries out resource survey and exploratory fishing in The Gulf. Below: samples of a catch of Spanish mackerel are weighed at Jubail on The Gulf coast.



Introducing the best connections in Saudi Arabia for sewer mainlines



Manufactured specifically for corrosive conditions.
Non-corrosive fibreglass pipes
from 400 to 2500 mm

SAUDI ARABIAN COMPANY LIMITED

P.O. BOX NO. 589 DAMMAM — SAUDI ARABIA TELEX 60084 AMIANDA SJ

هدا من الال